

Helmet Integrated Systems Limited

Directors' Report and Accounts

31 December 2002



BDO

BDO Stoy Hayward

HELMET INTEGRATED SYSTEMS LIMITED

Annual report and financial statements for the year ended 31 December 2002

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Directors

I S Hoyle (Chairman)
R Phillips
K J Korny
S Smith

Registered office

Unit 3, Focus 4
Fourth Avenue
Letchworth
Herts. SG6 2TU

Company number

2766754

Registered auditors

BDO Stoy Hayward
Prospect Place
85 Great North Road
Hatfield
Herts. AL9 5BS

HELMET INTEGRATED SYSTEMS LIMITED

Report of the directors for the year ended 31 December 2002

The directors submit their report and the accounts for the year ended 31 December 2002.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for the financial year. In doing so the directors are required to select suitable accounting policies and apply them consistently; make judgements and estimates that are reasonable and prudent 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 maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Group during the year was the design, manufacture, assembly, marketing and testing of protective helmets for military aircrew, emergency services, law enforcement, motorcyclists, respiratory hoods, visors and associated equipment, incorporating communication systems, conventional headsets, Active Noise Reduction, microphones including bone conducting, cameras, radios and video recording.

In last year's report we referred to "disruption of production whilst the moves are taking place". Despite our best efforts we were not able to minimise this disruption which resulted in a disappointing year. Turnover decreased by 13% to £8.5 million. This resulted in a loss before tax of £852,406. The majority of orders we were unable to produce in 2002 have been carried over into the current year. The reorganisation of the company is complete. The Board expects that as a direct result of the reorganisation there will be a return to profitability in the current year and that the results for 2003 will be at a level higher than previously.

Towards the end of 2002 the company was awarded a contract for the Helmet Module for the Joint Strike Fighter.

Investment continues both in development and marketing activities.

The results for the year are shown in the profit and loss account on page 5.

DIVIDENDS

No dividend (2001 - £200,000) is proposed in respect of the year.

HELMET INTEGRATED SYSTEMS LIMITED

Report of the directors for the year ended 31 December 2002 (continued)

DIRECTORS AND INTERESTS IN SHARES

The directors of the company during the year were I.S. Hoyle, R. Phillips, K.J. Korny and S. Smith (appointed on 1 August 2002). The other directors served for the full year.

R. Phillips declared the following interest in the share capital of the parent company:

	Ordinary shares of £1 each	
	31 December 2002	1 January 2002
R. Phillips	26,330	24,330

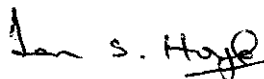
I.S. Hoyle is a director of the parent company and his shareholding interest is disclosed in the parent company's accounts.

No other director has a shareholding interest required to be disclosed by the Companies Act 1985.

AUDITORS

A resolution will be proposed at the Annual General Meeting that BDO Stoy Hayward be re-appointed as auditors to the company for the ensuing year.

On behalf of the board



I S Hoyle
Director

Date : 1st May 2003

Registered office:
Unit 3, Focus 4
Fourth Avenue
Letchworth
Herts. SG6 2TU

HELMET INTEGRATED SYSTEMS LIMITED

Report of the independent auditors

To the shareholders of Helmet Integrated Systems Limited

We have audited the financial statements of Helmet Integrated Systems Limited on pages 5 to 17 which have been prepared under the accounting policies set out on pages 8 to 9.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities in the Report of the Directors.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 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.

HELMET INTEGRATED SYSTEMS LIMITED

Report of the independent auditors (*Continued*)

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 2002 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*

Hatfield

Date

2 May 2003

HELMET INTEGRATED SYSTEMS LIMITED**Consolidated profit and loss account for the year ended 31 December 2002**

	Note	2002 £	2001 £
Turnover	1	8,499,726	9,773,468
Cost of sales		5,614,668	5,655,043
Gross profit		2,885,058	4,118,425
Distribution costs and administrative expenses	2	3,687,655	3,304,961
Operating (loss)/profit		(802,597)	813,464
Interest receivable		456	378
Interest payable	3	(50,265)	(50,937)
(Loss)/profit on ordinary activities before taxation	4	(852,406)	762,905
Taxation on (loss)/profit on ordinary activities	6	(209,174)	231,496
(Loss)/profit on ordinary activities after taxation		(643,232)	531,409
Dividends		-	200,000
Retained (loss)/profit for the financial year		(643,232)	331,409

Statement of total recognised gains and losses for the year ended 31 December 2002

	2002 £	2001 £
(Loss)/profit on ordinary activities after taxation	(643,232)	531,409
Exchange rate difference on translation of subsidiaries	61,856	(1,077)
Total recognised gains and losses	(581,376)	530,332

Details of the movements in reserves are shown in note 15 to the accounts.

All disclosures relate only to continuing operations.

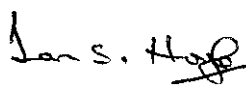
The notes on pages 8 to 17 form part of these financial statements.

HELMET INTEGRATED SYSTEMS LIMITED

Consolidated balance sheet at 31 December 2002

	Note	£	2002 £	£	2001 £	£
Fixed assets						
Tangible assets	7		1,918,951		1,491,833	
Current assets						
Stocks and work in progress	9	1,543,834		1,282,157		
Debtors	10	2,129,680		2,097,967		
Cash at bank and in hand		30,289		33,546		
			<u>3,703,803</u>		<u>3,413,670</u>	
Creditors - amounts falling due within one year	11	3,261,641		1,896,009		
Net current assets			<u>442,162</u>		<u>1,517,661</u>	
Total assets less current liabilities			<u>2,361,113</u>		<u>3,009,494</u>	
Creditors - amounts falling due after more than one year	12		-		3,989	
Provision for liabilities and charges	13		204,392		267,408	
			<u>2,156,721</u>		<u>2,738,097</u>	
Capital and reserves						
Called up share capital	14		400,500		400,500	
Profit and loss account	15		1,756,221		2,337,597	
Equity shareholders' funds	16		<u>2,156,721</u>		<u>2,738,097</u>	

Approved by the board on 1st May 2003


I S Hoyle
Director

The notes on pages 8 to 17 form part of these financial statements.

HELMET INTEGRATED SYSTEMS LIMITED

Company balance sheet at 31 December 2002

	Note	£	2002 £	£	2001 £	£
Fixed assets						
Tangible assets	7		1,898,588		1,463,354	
Investments	8		401,117		401,117	
			<u>2,299,705</u>		<u>1,864,471</u>	
Current assets						
Stocks and work in progress	9	1,527,743		1,265,609		
Debtors	10	2,517,783		2,737,691		
Cash at bank and in hand		21,643		11,456		
			<u>4,067,169</u>	<u>4,014,756</u>		
Creditors - amounts falling due within one year	11	3,720,553		2,303,439		
Net current assets			<u>346,616</u>		<u>1,711,317</u>	
Total assets less current liabilities			<u>2,646,321</u>		<u>3,575,788</u>	
Creditors - amounts falling due after more than one year	12		-		3,989	
Provision for liabilities and charges	13		204,392		267,408	
			<u>2,441,929</u>		<u>3,304,391</u>	
Capital and reserves						
Called up share capital	14		400,500		400,500	
Profit and loss account	15		2,041,429		2,903,891	
Equity shareholders' funds	16		<u>2,441,929</u>		<u>3,304,391</u>	

Approved by the board on 1st May 2003

I S Hoyle

I S Hoyle
Director

The notes on pages 8 to 17 form part of these financial statements.

HELMET INTEGRATED SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002

1. ACCOUNTING POLICIES

Basis of preparation:

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The group has adopted Financial Reporting Standard 19 'Deferred tax' this year, as detailed below. This has not resulted in any change to the reported results or net assets for the current or previous year. Apart from this, there have been no other changes in accounting policies during the year.

Basis of consolidation:

The consolidated profit and loss account includes the results of the company and any trading subsidiaries for the year ended 31 December 2002. The consolidated balance sheet includes the assets and liabilities of the company and its subsidiaries at that date.

As permitted by Section 230 of the Companies Act 1985, no profit and loss account of the parent company is presented.

Turnover:

Turnover is stated exclusive of value added tax and trade discounts. The directors are of the opinion that disclosure of a geographical analysis of turnover would be seriously prejudicial to the group's business.

Depreciation of tangible fixed assets:

Short-term leasehold improvements are written off over the remaining term of the lease. Other fixed assets are being depreciated so as to write them off over their anticipated useful lives at the following annual rates based on cost:

Plant and machinery	10.0 %
Fixtures and fittings	10.0 %
Motor vehicles	25.0 %
Moulds	15.0 %
Computer	25.0 %
Exhibition equipment	33.3 %

Stocks and work in progress:

Stocks and work in progress are stated at the lower of cost and net realisable value.

Long-term contracts:

Profit on long-term contracts is recognised as the work is carried out if the final outcome can be assessed with reasonable certainty.

The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end by recording turnover and related costs as contract activity progresses. Full provision is made for estimated losses on all contracts in the year in which they are first foreseen.

HELMET INTEGRATED SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (continued)

1. ACCOUNTING POLICIES (continued)

Lease and hire purchase contracts:

Assets being acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and their anticipated useful lives. The obligation to make future rental payments, net of future finance charges, is recognised as a liability in the balance sheet. The interest element of the lease and hire purchase payments is charged to the profit and loss account at a constant rate over the period of the agreement.

Operating lease charges have been expensed in the year to which they relate.

Deferred taxation:

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Research and development:

Research and development costs are written off in the year in which they are incurred.

Foreign currency transactions:

Foreign currency transactions have been translated at the rates ruling at the times of the transactions. Foreign currency balances have been translated at the rate of exchange ruling at the balance sheet date. Any differences are dealt with in the profit and loss account.

The accounts of the overseas subsidiary undertaking are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves.

Pension costs:

Helmet Integrated Systems Limited is a member of a group pension scheme which is a defined contribution scheme. The assets of the scheme are held in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

HELMET INTEGRATED SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (continued)

2.	DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES	2002 £	2001 £
	Distribution costs	880,684	882,202
	Administration expenses	2,806,971	2,422,759
		<u>3,687,655</u>	<u>3,304,961</u>

3.	INTEREST PAYABLE		
	Finance charge from parent company	50,000	50,000
	Finance lease interest	265	937
		<u>50,265</u>	<u>50,937</u>

4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation
has been arrived at after charging:

Depreciation of fixed assets:		
- owned by the group	441,934	355,371
- held under finance lease and hire purchase contracts	-	3,207
Auditors' remuneration:		
- Group – audit services	19,950	19,650
- Group – non audit services	4,380	3,200
Other operating lease payments:		
- property	256,770	195,250
- plant and machinery	79,300	78,214
	<u>793,234</u>	<u>655,092</u>

Included in administration expenses is an amount of £262,652 (2001 : £207,136) in respect of redundancy costs, removal costs and consultancy fees incurred in connection with the relocation of the group's production facilities.

5.	DIRECTORS AND OTHER EMPLOYEES	2002 Number	2001 Number
	The average number of persons employed by the group was as follows:		
	Production	122	120
	Selling and distribution	19	22
	Administration	38	47
		<u>179</u>	<u>189</u>

HELMET INTEGRATED SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (continued)

5. DIRECTORS AND OTHER EMPLOYEES (Continued)	2002	2001
Staff costs include the following:	£	£
Wages and salaries	3,268,737	3,003,731
Social security costs	276,175	278,963
Other pension costs		
- money purchase	91,223	92,364
	<u>3,636,135</u>	<u>3,375,058</u>
Directors' emoluments were as follows:		
Directors' remuneration	385,479	366,932
Company contributions to money purchase pension schemes	21,382	18,102
	<u>406,861</u>	<u>385,034</u>
	Number	Number
Number of directors accruing benefits under money purchase pension schemes	4	3
Highest paid director:	£	£
Director's remuneration	188,046	185,862
Company contributions to money purchase pension schemes	3,067	2,976
	<u>191,113</u>	<u>188,838</u>
6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2002	2001
	£	£
Corporation tax (credit) based on the taxable loss/profits for the year	(210,146)	238,798
Group relief surrendered	(63,028)	(16,302)
	<u>(273,174)</u>	<u>222,496</u>
Deferred tax		
- Current year	64,000	9,000
	<u>(209,174)</u>	<u>231,496</u>

HELMET INTEGRATED SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (continued)

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (Continued)

The tax assessed for the period is different from the standard rate of corporation tax in the UK. The differences are explained below.

	2002 £	2001 £
Profit/(loss) on ordinary activities before tax	(852,406)	762,905
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 30% (2001 – 30%).	(255,722)	228,872
Effects of:		
Unrelieved losses carried forward	10,297	-
Expenses not deductible for tax purposes	18,315	7,590
Capital allowances for period in excess of depreciation	(47,264)	(10,234)
Short term timing differences	1,200	(3,732)
Current tax credit charge for period	(273,174)	222,496

7. TANGIBLE FIXED ASSETS

	Short leasehold buildings & improvements £	Plant, vehicles and equipment £	Total £
GROUP			
Cost:			
At 1 January 2002	366,750	5,293,661	5,660,411
Additions	16,157	868,913	885,070
Disposals	(367,835)	-	(367,835)
At 31 December 2002	15,072	6,162,574	6,177,646
Depreciation:			
At 1 January 2002	350,732	3,817,846	4,168,578
Charge for the year	2,592	439,342	441,934
Disposals	(351,817)	-	(351,817)
At 31 December 2002	1,507	4,257,188	4,258,695
Net book value:			
At 31 December 2002	13,565	1,905,386	1,918,951
At 31 December 2001	16,018	1,475,815	1,491,833

HELMET INTEGRATED SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (continued)

7.	TANGIBLE FIXED ASSETS (Continued)	Short leasehold buildings & improvements £	Plant, vehicles and equipment £	Total £
	COMPANY			
	Cost:			
	At 1 January 2002	366,750	5,238,665	5,605,415
	Additions	16,157	868,913	885,070
	Disposals	(367,835)	-	(367,835)
	At 31 December 2002	15,072	6,107,578	6,122,650
	Depreciation:			
	At 1 January 2002	350,732	3,791,329	4,142,061
	Charge for the year	2,592	431,226	433,818
	Disposals	(351,817)	-	(351,817)
	At 31 December 2002	1,507	4,222,555	4,224,062
	Net book value:			
	At 31 December 2002	13,565	1,885,023	1,898,588
	At 31 December 2001	16,018	1,447,336	1,463,354

8. INVESTMENTS

COMPANY

Cost:

At 1 January and 31 December 2002

£

401,117

COMPANY

The subsidiary undertakings, all of which are wholly owned, are as follows:

Helmets Limited
Top Tek International Limited
Pureflo Safety Limited

None of the above subsidiaries traded during the year.

Interactive Safety Products Inc - registered in USA

This company's principal activity was the marketing, testing and assembly of protective helmets for military air crew, emergency services, communication systems, visors and associated equipment.

HELMET INTEGRATED SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (continued)

9. STOCKS AND WORK IN PROGRESS

	2002 GROUP £	2001 GROUP £	2002 COMPANY £	2001 COMPANY £
Raw materials and consumables	913,129	882,290	913,129	865,742
Work in progress	507,278	362,775	491,187	362,775
Finished goods	123,427	37,092	123,427	37,092
	<u>1,543,834</u>	<u>1,282,157</u>	<u>1,527,743</u>	<u>1,265,609</u>

10. DEBTORS

	2002 GROUP £	2001 GROUP £	2002 COMPANY £	2001 COMPANY £
Trade debtors	1,637,365	1,915,622	1,636,506	1,907,314
Amounts owed by group undertakings	-	-	395,474	652,850
Other debtors	212,496	2,600	212,496	2,600
Prepayments and accrued income	149,897	130,146	143,385	125,328
Amounts recoverable on long term contracts	129,922	49,599	129,922	49,599
	<u>2,129,680</u>	<u>2,097,967</u>	<u>2,517,783</u>	<u>2,737,691</u>

11. CREDITORS - amounts falling due within one year

	2002 GROUP £	2001 GROUP £	2002 COMPANY £	2001 COMPANY £
Bank overdraft	1,411,880	132,939	1,411,880	132,939
Trade creditors	1,037,752	1,037,860	1,036,870	1,032,472
Amount owed to ultimate parent company	83,051	151,236	146,079	167,538
Amount owed to group undertakings	-	-	400,497	400,497
Corporation tax	-	130,558	-	130,558
Taxation and social security	139,441	185,531	136,535	183,140
Other creditors	10,272	8,082	10,272	8,082
Accruals and deferred income	219,396	249,803	218,571	248,213
Payments on account	359,849	-	359,849	-
	<u>3,261,641</u>	<u>1,896,009</u>	<u>3,720,553</u>	<u>2,303,439</u>

The bank overdraft facility is secured by charges over the company's assets. The charges also secure liabilities to the bank of the ultimate parent company and other group undertakings.

HELMET INTEGRATED SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (continued)

12. CREDITORS - amounts falling due after more than one year

	2002 GROUP £	2001 GROUP £	2002 COMPANY £	2001 COMPANY £
Obligations under finance lease and hire purchase contracts				
- between two and five years	-	3,989	-	3,989

13. PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation	2002 GROUP £	2001 GROUP £	2002 COMPANY £	2001 COMPANY £
Balance at 1 January 2002	137,000	128,000	137,000	128,000
Profit and loss account	64,000	9,000	64,000	9,000
Balance at 31 December 2002	201,000	137,000	201,000	137,000
The balance comprises:				
Accelerated capital allowances	209,000	162,000	209,000	162,000
Other timing differences	(8,000)	(25,000)	(8,000)	(25,000)
	201,000	137,000	201,000	137,000

All deferred taxation has been provided in full.

Reorganisation costs

	2002 GROUP £	2001 GROUP £	2002 COMPANY £	2001 COMPANY £
Balance at 1 January 2002	130,408	-	130,408	-
Charged to profit and loss account	-	130,408	-	130,408
Utilised	(127,016)	-	(127,016)	-
Balance at 31 December 2002	3,392	130,408	3,392	130,408

A provision of £3,392 remains relating to outstanding redundancy costs associated with the relocation of the group's operations as detailed in note 4.

HELMET INTEGRATED SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (continued)

14. CALLED UP SHARE CAPITAL

	2002 GROUP £	2001 GROUP £	2002 COMPANY £	2001 COMPANY £
Authorised:				
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Allotted and fully paid: 400,500 ordinary shares of £1 each	400,500	400,500	400,500	400,500

15. PROFIT AND LOSS ACCOUNT

	2002 GROUP £	2001 GROUP £	2002 COMPANY £	2001 COMPANY £
At 1 January 2002	2,337,597	2,007,265	2,903,891	2,451,077
Retained (loss)/profit for the year	(643,232)	331,409	(862,462)	452,814
Currency translation difference	61,856	(1,077)	-	-
At 31 December 2002	1,756,221	2,337,597	2,041,429	2,903,891

16. RECONCILIATION OF SHAREHOLDERS' FUNDS

	2002 GROUP £	2001 GROUP £	2002 COMPANY £	2001 COMPANY £
Shareholders' funds at 1 January 2002	2,738,097	2,407,765	3,304,391	2,851,577
Currency translation difference	61,856	(1,077)	-	-
(Loss)/profit for the year	(643,232)	531,409	(862,462)	652,814
Dividends	-	(200,000)	-	(200,000)
Shareholders' funds at 31 December 2002	2,156,721	2,738,097	2,441,929	3,304,391

17. FUTURE CAPITAL EXPENDITURE

Contracted for but not provided	88,885	210,115	88,885	210,115
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HELMET INTEGRATED SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (continued)

18. OTHER FINANCIAL COMMITMENTS

	2002 GROUP £	2001 GROUP £	2002 COMPANY £	2001 COMPANY £
Annual commitments under operating leases				
Land and buildings:				
Expiring within one year	-	-	-	-
Expiring between one and two years	8,497	110,000	-	110,000
Expiring between two and five years	14,000	-	14,000	-
Expiring after five years	171,750	85,250	171,750	85,250
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:				
Expiring within one year	30,930	9,673	30,930	9,673
Expiring between two and five years	19,825	66,758	19,825	66,758
Expiring after five years	28,545	1,783	28,545	1,783
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19. RELATED PARTY TRANSACTIONS

The company has relied on the exemption granted by FRS 8 not to disclose transactions with its parent company.

20. ULTIMATE PARENT COMPANY

The directors regard Middlemace Limited as the company's ultimate parent company.

21. ULTIMATE CONTROLLING PARTY

I.S. Hoyle and his wife are trustees of a trust. The shares in Middlemace Limited held by the trust, if aggregated with Mr. and Mrs. Hoyle's personal holdings, would amount to 50.57% of the issued share capital.