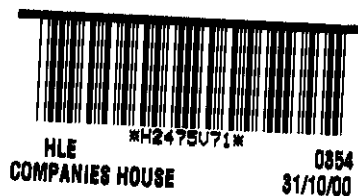


**The Wakefield Shirt Company Limited and
Its Subsidiary Undertakings**

Financial Statements

31st December 1999

Company Registration Number 361629



JOLLIFFE CORK

Chartered Accountants & Registered Auditors
33 George Street
Wakefield
WF1 1LX

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Financial Statements

Year Ended 31st December 1999

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The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Officers and Professional Advisers

The Board of Directors

Mr I Donner

Mr R J Donner

Mr D P Sugden

Mr R John Donner

Company Secretary

Mr C G Freeman and Mrs N Donner

Registered Office

Thornes Wharf Lane

Wakefield

WF1 5RQ

Auditors

Jolliffe Cork

Chartered Accountants

& Registered Auditors

33 George Street

Wakefield

WF1 1LX

Bankers

HSBC Bank plc

66 Westgate

Wakefield

WF1 1XB

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

The Directors' Report

Year Ended 31st December 1999

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31st December 1999.

Principal Activities and Business Review

During the year the group progressed the actions identified in a strategic review carried out during 1998 in reorganising its activities reflecting a shift towards overseas manufacture and the downsizing of UK manufacturing operations to align capacity to market demand. The actions included plant closures, consolidation of warehouses and proportional reductions in central administration functions. Existing facilities have been integrated and duplicate facilities closed to reduce the cost base of operations.

Significant costs incurred relating to this fundamental reorganisation were incurred as a consequence of the above outlined strategic review, these costs amounted to £510,275 and have been treated as Exceptional Costs in preparing these financial Statements.

Results and Dividends

The trading results for the year, and the group's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

| | 1999 £ | 1998 £ |
|------------------------------------|---------------|---------------|
| Dividend paid on preference shares | <u>69,857</u> | <u>65,406</u> |

The Directors and their Interests

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

| | Class of share | 31.12.99 | 1.1.99 |
|--|----------------------------------|----------|---------|
| Mr I Donner | "A" Preference shares of £1 | 21,288 | 21,288 |
| Mr R J Donner | Ordinary shares of £1 each | 646 | 646 |
| " | "A" Preference shares of £1 each | 5,000 | 5,000 |
| " | "C" Preference shares of £1 each | 247,050 | 247,050 |
| Mr D P Sugden | | - | - |
| Mr R John Donner (Appointed 17.12.99) | Ordinary shares of £1 each | 643 | 643 |
| " | "A" Preference shares of £1 each | 1,452 | 1,452 |
| " | "B" Preference shares of £1 each | 1,666 | 1,666 |
| " | "C" Preference shares of £1 each | 177,950 | 177,950 |

Charitable donations

During the year the group made charitable donations amounting to £3,475 (1998:£2,849).

Fixed Assets

Additions to, and disposals of fixed assets are shown in notes 12 and 13 on pages 14 to 17.

Taxation Status

The close company provisions of the Income and Corporation Taxes Act 1988, as amended, apply to the company.

Employment Policies

a) Employee Involvement

The company continued to encourage teamwork and communications between all of its employees in the management of the business during the year. Consultation continues to take place through management and employee committees at varying levels within the company, where a wide range of business and employment issues are discussed.

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

The Directors' Report *(continued)*

Year Ended 31st December 1999

b)Employment of disabled People

The company recognises its legal, social and moral obligation to provide for the employment of disabled people. The company aims to provide appropriate facilities for the disabled and to give full and fair consideration to applications for employment having regard to the particular aptitudes and abilities of the applicant.

c)Equal opportunities policy

The company is an equal opportunity employer. The aim of our policy is to ensure that no job applicant or employee receives less favourable treatment on the grounds of race, colour, nationality, ethnic or national origins, religion or sex or is disadvantaged by conditions or requirements which cannot be shown to be justifiable.

The employment criteria and procedures are frequently reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees will be given equal opportunity and, where appropriate, special training to progress within the organisation.

The company is committed to a programme of action to make this policy fully effective.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group at the end of the year and of the group's profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 to 11, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

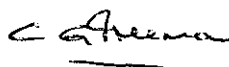
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Jolliffe Cork as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Thornes Wharf Lane
Wakefield
WF1 5RQ

Signed on behalf of the directors



C G Freeman
Joint Secretary

Approved by the directors on 15th June 2000

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Auditors' Report to the Shareholders

Year Ended 31st December 1999

We have audited the financial statements on pages 5 to 20 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 10 to 11.

Respective Responsibilities of the Directors and the Auditors

As described on pages 2 to 3, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion


We conducted our audit in accordance with 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 group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 31st December 1999 and of the loss of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

33 George Street
Wakefield
WF1 1LX


JOLLIFFE CORK
Chartered Accountants
& Registered Auditors

The Wakefield Shirt Company Limited and its Subsidiary Undertakings

Group Profit and Loss Account

Year Ended 31 December 1999

| | Note | Continuing operations £ | Discontinued operations £ | Total 1999 £ | 1998 £ |
|--|------|-------------------------------|---------------------------------|--------------------|--------------------|
| Turnover | 2 | 18,719,828 | 261,559 | 18,981,387 | 21,611,351 |
| Cost of sales | | 13,763,037 | 287,957 | 14,050,994 | 16,869,125 |
| Gross Profit | | 4,956,791 | (26,398) | 4,930,393 | 4,742,226 |
| Distribution costs | | 2,370,348 | | 2,370,348 | 2,539,496 |
| Administrative expenses | | 3,258,850 | | 3,258,850 | 2,780,979 |
| Other operating income | 3 | (278,223) | - | (278,223) | (275,999) |
| Operating loss | 4 | (394,184) | (26,398) | (420,582) | (302,250) |
| Exceptional items | | | | | |
| Costs of fundamental reorganisation | 7 | (380,720) | (129,555) | (510,275) | (757,687) |
| Loss before interest and other income | | (774,904) | (155,953) | (930,857) | (1,059,937) |
| Share of Associate operating profit | | | | 220,697 | 142,988 |
| Income from other fixed asset investments | 8 | | | 679 | 609 |
| Interest receivable | | | | 6,826 | 18,776 |
| Interest payable | 9 | | | (348,712) | (452,439) |
| Loss on Ordinary Activities Before Taxation | | | | (1,051,367) | (1,350,003) |
| Tax on loss on ordinary activities | 10 | | | (70,070) | (30,687) |
| Loss on Ordinary Activities After taxation | | | | (1,121,437) | (1,380,690) |
| Dividends (including non-equity) | 11 | | | (69,857) | (65,406) |
| Loss for the Financial Year | | | | <u>(1,191,294)</u> | <u>(1,446,096)</u> |

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own profit and loss account.

The notes on pages 10 to 20 form part of these financial statements.

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Group Balance Sheet

31st December 1999

| | Note | 1999 | | 1998 | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible assets | 12 | | 4,840,487 | | 4,901,484 |
| Investments | 13 | | 373,628 | | 211,462 |
| | | | <u>5,214,115</u> | | <u>5,112,946</u> |
| Current Assets | | | | | |
| Stocks | 14 | 7,449,836 | | 8,689,778 | |
| Debtors | 15 | 3,374,351 | | 3,541,724 | |
| Cash at bank | | 248,066 | | 284,969 | |
| | | <u>11,072,253</u> | | <u>12,516,471</u> | |
| Creditors: Amounts Falling due Within One Year | 16 | (5,167,471) | | (5,160,608) | |
| Net Current Assets | | | <u>5,904,782</u> | | <u>7,355,863</u> |
| Total Assets Less Current Liabilities | | | <u>11,118,897</u> | | <u>12,468,809</u> |
| Creditors: Amounts Falling due after More than One Year | 17 | | (2,008,987) | | (2,167,605) |
| | | | <u>9,109,910</u> | | <u>10,301,204</u> |
| Capital and Reserves | | | | | |
| Called-up share capital | 22 | | 1,174,504 | | 1,174,504 |
| Revaluation reserve | 23 | | 2,471,054 | | 2,471,054 |
| Other reserves | 23 | | 394,277 | | 394,277 |
| Profit and loss account | 23 | | 5,070,075 | | 6,261,369 |
| Shareholders' Funds (including non-equity interests) | 24 | | <u>9,109,910</u> | | <u>10,301,204</u> |

These financial statements were approved by the directors on the 15th June 2000, and are signed on their behalf by:

.....
Mr R J Donner

.....
Mr D P Sugden

The notes on pages 10 to 20 form part of these financial statements.

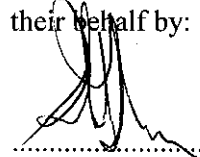
The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Company Balance Sheet

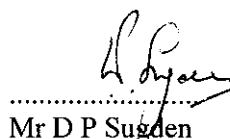
31st December 1999

| | Note | 1999 | | 1998 | |
|--|------|------------------|--------------------|------------------|--------------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible assets | 12 | | 3,770,002 | | 3,770,002 |
| Investments | 13 | | 3,323,880 | | 3,323,520 |
| | | | <u>7,093,882</u> | | <u>7,093,522</u> |
| Current Assets | | | | | |
| Debtors | 15 | 1,972,133 | | 1,842,343 | |
| Cash at bank | | <u>274,440</u> | | <u>519,818</u> | |
| | | 2,246,573 | | 2,362,161 | |
| Creditors: Amounts Falling due Within One Year | 16 | <u>(157,606)</u> | | <u>(206,354)</u> | |
| Net Current Assets | | | 2,088,967 | | 2,155,807 |
| Total Assets Less Current Liabilities | | | <u>9,182,849</u> | | <u>9,249,329</u> |
| Creditors: Amounts Falling due after More than One Year | 17 | | <u>(1,963,053)</u> | | <u>(2,094,505)</u> |
| | | | <u>7,219,796</u> | | <u>7,154,824</u> |
| Capital and Reserves | | | | | |
| Called-up share capital | 22 | | 1,174,504 | | 1,174,504 |
| Revaluation reserve | 23 | | 2,471,054 | | 2,471,054 |
| Other reserves | 23 | | 5,646 | | 5,646 |
| Profit and loss account | 23 | | 3,568,592 | | 3,503,620 |
| Shareholders' Funds (including non-equity interests) | | | <u>7,219,796</u> | | <u>7,154,824</u> |

These financial statements were approved by the directors on the 15th June 2000 and are signed on their behalf by:



Mr R J Donner



Mr D P Sugden

The notes on pages 10 to 20 form part of these financial statements.

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Group Cash Flow Statement

Year Ended 31st December 1999

| | 1999 | | 1998 |
|--|-----------|------------------|------------------|
| | £ | £ | £ |
| Net Cash Inflow/(outflow) From Operating Activities | | 520,986 | (93,721) |
| Returns on Investments and Servicing of Finance | | | |
| Income from other fixed asset investments | 679 | | 609 |
| Interest received | 6,826 | | 18,776 |
| Interest paid | (346,908) | | (447,297) |
| Interest element of hire purchase agreements | (1,804) | | (5,142) |
| Dividends paid | (79,028) | | (56,861) |
| | | | |
| Net Cash Outflow From Returns on Investments and Servicing of Finance | | (420,235) | (489,915) |
| Taxation | | | |
| Corporation tax paid | (8,997) | | (8,062) |
| | | | |
| Taxes Paid | | (8,997) | (8,062) |
| Capital Expenditure | | | |
| Payments to acquire tangible fixed assets | (343,380) | | (253,392) |
| Receipts from sale of fixed assets | 30,500 | | 14,350 |
| | | | |
| Net Cash Outflow From Capital Expenditure | | (312,880) | (239,042) |
| Acquisitions and Disposals | | | |
| Acquisition of investments | (360) | | (556) |
| | | | |
| Net Cash Outflow From Acquisitions and Disposals | | (360) | (556) |
| | | | |
| Cash Outflow Before Financing | | (221,486) | (831,296) |
| Financing | | | |
| Repayment of bank loans | (100,850) | | (124,964) |
| Capital element of hire purchase agreements | (25,628) | | (38,661) |
| | | | |
| Net Cash Inflow From Financing | | (126,478) | (163,625) |
| | | | |
| Decrease in Cash | | (347,964) | (994,921) |

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Group Cash Flow Statement *(continued)*

Year Ended 31st December 1999

Reconciliation of Operating Loss to Net Cash Outflow From Operating Activities

| | 1999 £ | 1998 £ |
|--|----------------|-----------------|
| Operating loss | (420,582) | (302,250) |
| Depreciation | 387,618 | 486,220 |
| Profit on disposal of fixed assets | (13,740) | (12,448) |
| Decrease in stocks | 1,239,942 | 136,096 |
| Decrease in debtors | 158,687 | 1,229,228 |
| Decrease in creditors | (320,664) | (872,880) |
| Costs of fundamental reorganisation | (510,275) | (757,687) |
| Net cash inflow from operating activities | 520,986 | (93,721) |

Reconciliation of Net Cash Flow to Movement in Net Debt

| | 1999 £ | 1998 £ |
|--|--------------------|--------------------|
| Decrease in cash in the period | (347,964) | (994,921) |
| Net cash outflow in respect of debt and hire purchase | 126,478 | 163,625 |
| | (221,486) | (831,296) |
| Change in net debt | (221,486) | (831,296) |
| Net debt at 1st January 1999 | (4,829,590) | (3,998,294) |
| Net debt at 31st December 1999 | (5,051,076) | (4,829,590) |

Analysis of Changes in Net Debt

| | At 1 Jan 1999 £ | Cash flows £ | At 31 Dec 1999 £ |
|--------------------------|-----------------------|------------------|------------------------|
| Net cash: | | | |
| Cash in hand and at bank | 284,969 | (36,903) | 248,066 |
| Bank overdraft | (2,884,789) | (311,061) | (3,195,850) |
| | (2,599,820) | (347,964) | (2,947,784) |
| Debt: | | | |
| Debt due within 1 year | (123,409) | (16,830) | (140,239) |
| Debt due after 1 year | (2,106,361) | 143,308 | (1,963,053) |
| | (2,229,770) | 126,478 | (2,103,292) |
| Net debt | (4,829,590) | (221,486) | (5,051,076) |

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Basis of Consolidation

The consolidated accounts incorporate the accounts of the company and all group undertakings, together with the group's share of the net assets and results of associated undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill

Purchased goodwill is capitalised and depreciated on a straight line basis over its useful economic life (reviewed annually), not exceeding 20 years. Goodwill which is generated by the activities of the company is not recognised as an asset in the balance sheet and the associated costs are written off to the profit and loss account when they are incurred.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | |
|---------------------------------|------------|
| Plant and equipment | - 4 years |
| Motor vehicles | - 4 years |
| Warehouse fixtures and fittings | - 10 years |
| Computer and office equipment | - 4 years |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

1. Accounting Policies *(continued)*

Work in Progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance Lease Agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred Taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the group.

A geographical analysis of turnover is set out below:-

| | 1999 £ | 1998 £ |
|----------------|-------------------|-------------------|
| United Kingdom | 18,243,921 | 20,768,814 |
| Eire | 399,852 | 415,541 |
| Other | 337,614 | 426,996 |
| | <u>18,981,387</u> | <u>21,611,351</u> |

3. Other Operating Income

| | 1999 £ | 1998 £ |
|-----------------------------------|----------------|----------------|
| Rent receivable | 175,121 | 153,805 |
| Amortisation of Government grants | 7,655 | 7,655 |
| Discounts received | 93,638 | 114,427 |
| Other operating income | 1,809 | 112 |
| | <u>278,223</u> | <u>275,999</u> |

4. Operating Loss

Operating loss is stated after charging/(crediting):

| | 1999 £ | 1998 £ |
|------------------------------------|---------------|---------------|
| Depreciation | 387,618 | 486,220 |
| Profit on disposal of fixed assets | (13,740) | (12,448) |
| Auditors' remuneration | | |
| - as auditors | <u>26,800</u> | <u>26,400</u> |

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

5. Particulars of Employees

The average number of staff employed by the group during the financial year amounted to:

| | 1999 | 1998 |
|----------------------------|------------|------------|
| | No. | No. |
| Number of production staff | 298 | 445 |
| Number of management staff | 219 | 224 |
| | <u>517</u> | <u>669</u> |

The aggregate payroll costs of the above were:

| | 1999 | 1998 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 5,617,012 | 6,734,935 |
| Social security costs | 361,731 | 469,136 |
| Other pension costs | 37,397 | 41,212 |
| | <u>6,016,140</u> | <u>7,245,283</u> |

6. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

| | 1999 | 1998 |
|--|----------------|----------------|
| | £ | £ |
| Emoluments receivable | 108,014 | 178,790 |
| Value of company pension contributions to non-money purchase schemes | 7,000 | 34,001 |
| | <u>115,014</u> | <u>212,791</u> |

7. Exceptional Items

During the year the group progressed the actions identified in a strategic review carried out during 1998 in reorganising its activities reflecting a shift towards overseas manufacture and the downsizing of UK manufacturing operations to align capacity to market demand. The actions included plant closures, consolidation of warehouses and proportional reductions in central administration functions.

Existing facilities have been integrated and duplicate facilities closed to reduce the base cost by restructuring. Costs incurred relating to this fundamental reorganisation were incurred as a consequence of the strategic review. These costs, including millennium compliance costs were;

| | 1999 | 1998 |
|----------------------------------|----------------|----------------|
| | £ | £ |
| Redundancy and termination costs | 225,913 | 439,228 |
| Other reorganisation costs | 175,308 | 318,459 |
| Millennium compliance costs | 109,054 | - |
| | <u>510,275</u> | <u>757,687</u> |

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

8. Income From Other Fixed Asset Investments

| | 1999 | 1998 |
|-------------------------|------|------|
| | £ | £ |
| Gross investment income | 679 | 609 |

9. Interest Payable

| | 1999 | 1998 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Interest payable on bank borrowing | 346,908 | 447,297 |
| Finance charges | 1,804 | 5,142 |
| | <u>348,712</u> | <u>452,439</u> |

10. Tax on Loss on Ordinary Activities

| | 1999 | 1998 |
|---|---------------|---------------|
| | £ | £ |
| Corporation tax underprovision in previous year | 11,179 | - |
| Associated undertakings | 58,891 | 30,687 |
| | <u>70,070</u> | <u>30,687</u> |

11. Dividends

The following dividends have been paid in respect of the year:

| | 1999 | 1998 |
|-------------------------------------|---------------|---------------|
| | £ | £ |
| Dividends paid on non-equity shares | <u>69,857</u> | <u>65,406</u> |

12. Tangible Fixed Assets

| Group | Freehold land and buildings £ | Plant & Machinery £ | Motor Vehicles £ | Total £ |
|------------------------------|-------------------------------------|---------------------------|------------------------|-------------------|
| Cost or Valuation | | | | |
| At 1st January 1999 | 3,770,000 | 5,863,654 | 609,594 | 10,243,248 |
| Additions | - | 333,180 | 10,200 | 343,380 |
| Disposals | - | - | (131,199) | (131,199) |
| At 31st December 1999 | <u>3,770,000</u> | <u>6,196,834</u> | <u>488,595</u> | <u>10,455,429</u> |
| Depreciation | | | | |
| At 1st January 1999 | - | 4,889,936 | 451,827 | 5,341,763 |
| Charge for the year | - | 312,102 | 75,516 | 387,618 |
| On disposals | - | - | (114,439) | (114,439) |
| At 31st December 1999 | <u>-</u> | <u>5,202,038</u> | <u>412,904</u> | <u>5,614,942</u> |
| Net Book Value | | | | |
| At 31st December 1999 | <u>3,770,000</u> | <u>994,796</u> | <u>75,691</u> | <u>4,840,487</u> |
| At 31st December 1998 | <u>3,770,000</u> | <u>973,717</u> | <u>157,767</u> | <u>4,901,484</u> |

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

12. Tangible Fixed Assets *(continued)*

Hire purchase and finance lease agreements

Included within the net book value of £4,840,487 is £6,683 (1998 - £10,010) relating to assets held under hire purchase agreements, and £5,207 (1998 - £42,320) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £3,515 (1998 - £6,040), and £14,264 (1998 - £31,165) in respect of assets held under finance lease agreements.

| Company | Freehold land and buildings £ | Fixtures & Fittings £ | Total £ |
|--|-------------------------------------|-----------------------------|------------------|
| Cost or Valuation | | | |
| At 1st January 1999 and 31st December 1999 | <u>3,770,000</u> | <u>21,036</u> | <u>3,791,036</u> |
| Depreciation | | | |
| At 1st January 1999 | <u>-</u> | <u>21,034</u> | <u>21,034</u> |
| At 31st December 1999 | <u>-</u> | <u>21,034</u> | <u>21,034</u> |
| Net Book Value | | | |
| At 31st December 1999 | <u>3,770,000</u> | <u>2</u> | <u>3,770,002</u> |
| At 31st December 1998 | <u>3,770,000</u> | <u>2</u> | <u>3,770,002</u> |

Freehold land and buildings were revalued on 24th April 1995 by William Brown, Estate Agents, Surveyors and Valuers on an open market value for existing use basis. The revaluation placed on these assets is shown below:

| | £ |
|--|------------------|
| Freehold land and buildings at cost | 1,298,946 |
| Revaluation | <u>2,471,054</u> |
| Freehold land and buildings at valuation | <u>3,770,000</u> |

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

13. Investments

| Group | Associated undertakings | Quoted Investments | Total |
|-----------------------|-------------------------|--------------------|----------------|
| | £ | £ | £ |
| Cost | | | |
| At 1st January 1999 | 193,084 | 18,378 | 211,462 |
| Additions | 161,806 | 360 | 162,166 |
| At 31st December 1999 | <u>354,890</u> | <u>18,738</u> | <u>373,628</u> |
| Net Book Value | | | |
| At 31st December 1999 | <u>354,890</u> | <u>18,738</u> | <u>373,628</u> |
| At 31st December 1998 | <u>193,084</u> | <u>18,378</u> | <u>211,462</u> |

| | Country of incorporation | Holding | Proportion of voting rights and shares held | Nature of business |
|-------------------------------------|--------------------------|-----------------|---|---------------------------------|
| Subsidiary undertakings | | | | |
| All held by the company: | | | | |
| Double Two Limited | England | Ordinary shares | 100% | Shirt and Clothing Manufacturer |
| Wm Sugden & Sons Limited | England | Ordinary shares | 100% | Shirt and Clothing Manufacturer |
| Threadneedle Company Image Limited | England | Ordinary shares | 100% | Corporate Clothing |
| Kingswells (Fashion Stores) Limited | England | Ordinary shares | 100% | Dormant |
| Wakefield Drapers Limited | England | Ordinary shares | 100% | Dormant |
| Double Two International Limited | England | Ordinary shares | 100% | Dormant |
| Company Image Limited | England | Ordinary shares | 100% | Dormant |
| *Top Twenty Shirt Co Limited | England | Ordinary shares | 100% | Dormant |
| *Topflight Uniforms Limited | England | Ordinary shares | 100% | Dormant |
| *L J & M Refson Limited | England | Ordinary shares | 100% | Dormant |

* Companies owned by Wm Sugden & Sons Limited

Associated undertakings

All held by the company:

| | | | | |
|------------------------|---------|-----------------|-----|------------------|
| Leading Labels Limited | England | Ordinary shares | 50% | Clothes retailer |
|------------------------|---------|-----------------|-----|------------------|

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

13. Investments (continued)

| Company | Group companies | Associated undertakings | Quoted investments | Total |
|-----------------------|--------------------|----------------------------|-----------------------|------------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1st January 1999 | 3,280,142 | 25,000 | 18,378 | 3,323,520 |
| Additions | - | - | 360 | 360 |
| At 31st December 1999 | <u>3,280,142</u> | <u>25,000</u> | <u>18,738</u> | <u>3,323,880</u> |
| Net Book Value | | | | |
| At 31st December 1999 | <u>3,280,142</u> | <u>25,000</u> | <u>18,738</u> | <u>3,323,880</u> |
| At 31st December 1998 | <u>3,280,142</u> | <u>25,000</u> | <u>18,378</u> | <u>3,323,520</u> |

Quoted investments include investments on the London Stock Exchange with a market value of £1,802 and investments listed on an overseas stock exchange with a market value of £12,047.

14. Stocks

| | Group | | Company | |
|------------------|------------------|------------------|----------|----------|
| | 1999 | 1998 | 1999 | 1998 |
| | £ | £ | £ | £ |
| Raw Materials | 2,196,846 | 2,362,494 | - | - |
| Work in progress | 257,967 | 605,471 | - | - |
| Finished goods | 4,995,023 | 5,721,813 | - | - |
| | <u>7,449,836</u> | <u>8,689,778</u> | <u>-</u> | <u>-</u> |

15. Debtors

| | Group | | Company | |
|------------------------------------|------------------|------------------|------------------|------------------|
| | 1999 | 1998 | 1999 | 1998 |
| | £ | £ | £ | £ |
| Trade debtors | 2,867,117 | 3,237,628 | - | - |
| Amounts owed by group undertakings | - | - | 1,925,577 | 1,801,927 |
| Other debtors | 36,733 | 41,677 | 10,079 | 18,765 |
| Prepayments and accrued income | 470,501 | 262,419 | 36,477 | 21,651 |
| | <u>3,374,351</u> | <u>3,541,724</u> | <u>1,972,133</u> | <u>1,842,343</u> |

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

16. Creditors: Amounts falling due within one year

| | Group | | Company | |
|--|------------------|------------------|----------------|----------------|
| | 1999 | 1998 | 1999 | 1998 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 3,324,233 | 2,982,570 | 128,383 | 135,022 |
| Trade creditors | 897,489 | 1,093,500 | - | - |
| Other creditors including taxation and social security: | | | | |
| Corporation Tax | - | 6,503 | - | 6,503 |
| PAYE and social security | 112,415 | 140,937 | - | - |
| VAT | 3,690 | - | 1,735 | - |
| Hire purchase agreements | 11,856 | 25,628 | - | - |
| Dividends payable | 9,558 | 18,729 | 9,558 | 18,729 |
| Other creditors | 223,074 | 221,389 | - | - |
| Accruals and deferred income | 585,156 | 671,352 | 17,930 | 46,100 |
| | <u>5,167,471</u> | <u>5,160,608</u> | <u>157,606</u> | <u>206,354</u> |

17. Creditors: Amounts falling due after more than one year

| | Group | | Company | |
|------------------------------|------------------|------------------|------------------|------------------|
| | 1999 | 1998 | 1999 | 1998 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 1,963,053 | 2,094,505 | 1,963,053 | 2,094,505 |
| Other creditors: | | | | |
| Hire purchase agreements | - | 11,856 | - | - |
| Accruals and deferred income | 45,934 | 61,244 | - | - |
| | <u>2,008,987</u> | <u>2,167,605</u> | <u>1,963,053</u> | <u>2,094,505</u> |

The bank loan, which is unsecured, is repayable by instalments and is not wholly repayable within five years. Interest is payable at rates varying with market rates.

18. Commitments under Hire Purchase and Finance Lease Agreements

Future commitments under such agreements are as follows:

| | Group | | Company | |
|--------------------------------------|---------------|---------------|----------|----------|
| | 1999 | 1998 | 1999 | 1998 |
| | £ | £ | £ | £ |
| Amounts payable within 1 year | 11,856 | 25,628 | - | - |
| Amounts payable between 2 to 5 years | - | 6,470 | - | - |
| | <u>11,856</u> | <u>32,098</u> | <u>-</u> | <u>-</u> |

19. Financial Commitments

At 31st December 1999 there were Financial Commitments in respect of irrevocable Documentary Credits and Acceptances of £682,665 (1998: £433,509).

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

20. Contingencies

The Group has given guarantees dated 5th March 1996 and 5th March 1997 to H M Customs And Excise for £200,000 and to Northern Bank Plc Dated 22nd March 1984 and 26th November 1995 for £7,980, both with recourse.

Under Group banking arrangements the Company is a Party to an Unlimited, Multilateral Guarantee Given to Midland Bank Plc on 24th January 1996 by the following group companies: Double Two Limited, Threadneedle Company Image Limited and the Wakefield Shirt Company Limited. At 31st December 1999 the Borrowings Guaranteed amounted to £5,072,081 (1998: £4,813,271).

21. Related Party Transactions

The Wakefield Shirt Company Limited, has a 50% interest in Leading Labels Limited, a company registered in England. Leading Labels Limited is regarded as a related party. The company has, in the normal course of business, supplied goods and management services to Leading Labels Limited. Goods supplied amounted to £316,867 and operating services charged amounted to £30,000. Leading Labels Limited received sales commissions from the group, in the normal course of business, amounting to £2,505. At 31st December 1999 Leading Labels Limited owed £221,643 to the group and this amount is included within trade debtors.

22. Share Capital

Authorised share capital:

| | 1999 | 1998 |
|---|------------------|------------------|
| | £ | £ |
| 5,150 Ordinary shares of £1 each | 5,150 | 5,150 |
| 40,000 Preference Class 'A' 8.5% shares of £1 each | 40,000 | 40,000 |
| 10,000 Preference Class 'B' 8.5% shares of £1 each | 10,000 | 10,000 |
| 1,125,000 Preference Class 'C' 6% shares of £1 each | 1,125,000 | 1,125,000 |
| | <u>1,180,150</u> | <u>1,180,150</u> |

Allotted, called up and fully paid:

| | 1999 | | 1998 | |
|----------------------------------|------------------|------------------|------------------|------------------|
| | No. | £ | No. | £ |
| Ordinary shares | 4,504 | 4,504 | 4,504 | 4,504 |
| Preference Class 'A' 8.5% shares | 35,000 | 35,000 | 35,000 | 35,000 |
| Preference Class 'B' 8.5% shares | 10,000 | 10,000 | 10,000 | 10,000 |
| Preference Class 'C' 6% shares | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 |
| | <u>1,174,504</u> | <u>1,174,504</u> | <u>1,174,504</u> | <u>1,174,504</u> |

The Wakefield Shirt Company Limited and Its Subsidiary Undertakings

Notes to the Financial Statements

Year Ended 31st December 1999

23. Reserves

| Group | Profit and loss account £ | Revaluation reserve £ | Capital redemption reserve £ | Other reserve £ |
|-------------------------|---------------------------------|-----------------------------|---------------------------------------|-----------------------|
| Balance brought forward | 6,261,369 | 2,471,054 | 5,646 | 388,631 |
| Loss for the year | (1,191,294) | - | - | - |
| Balance carried forward | <u>5,070,075</u> | <u>2,471,054</u> | <u>5,646</u> | <u>388,631</u> |

| Company | Profit and loss account £ | Revaluation reserve £ | Capital redemption reserve £ |
|-------------------------|---------------------------------|-----------------------------|---------------------------------------|
| Balance brought forward | 3,503,620 | 2,471,054 | 5,646 |
| Profit for the year | 64,972 | - | - |
| Balance carried forward | <u>3,568,592</u> | <u>2,471,054</u> | <u>5,646</u> |

24. Reconciliation of Movements in Shareholders' Funds

Equity Shareholders' Funds

| | 1999 £ | 1998 £ |
|------------------------------------|--------------------|--------------------|
| Loss for the financial year | (1,121,437) | (1,380,690) |
| Dividends | (69,857) | (65,406) |
| | <u>(1,191,294)</u> | <u>(1,446,096)</u> |
| Opening shareholders' equity funds | 9,131,204 | 10,577,300 |
| Closing shareholders' equity funds | <u>7,939,910</u> | <u>9,131,204</u> |

Non-Equity Shareholders' Funds

| | | |
|--|------------------|-------------------|
| Opening and closing shareholders' non-equity funds | <u>1,170,000</u> | <u>1,170,000</u> |
| Total Shareholders' Funds | <u>9,109,910</u> | <u>10,301,204</u> |