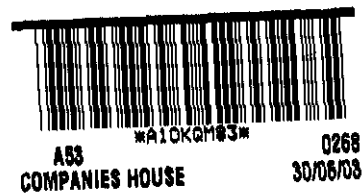


REDCATS (BRANDS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

Registered No. 110433



REDCATS (BRANDS) LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the year ended 28th December 2002.

Principal Activity

The principal activity of the company is catalogue mail order retailing.

Review of Developments and Future Prospects

The directors consider the performance of the company to be satisfactory and they remain optimistic about its future prospects.

Results and Dividends

The results of the company are set out on page 6. The profit for the year is £2,125,000 (year ended 29th December 2001 (restated) : profit of £1,258,000). The directors recommend a dividend for the year of £Nil (year ended 29th December 2001 : £Nil) and the retained profit of £2,125,000 has been transferred to reserves (year ending 29th December 2001 (restated) retained profit of £1,258,000 transferred to reserves).

Euro

The directors have considered the risks involved with the Euro issue and are of the opinion that group systems are adequately designed to cope with the impact of this additional currency. It is not anticipated that the Euro will have a material impact upon the company.

REDCATS (BRANDS) LIMITED

DIRECTORS' REPORT

(Continued)

Directors

The directors who served during the year and subsequently are shown below :

| | |
|-----------------|---|
| M. Cheshire | (resigned 11 th June 2003) |
| M. Green | |
| M. Greene-Jones | |
| H. Heavisides | |
| A. R. Hill | (resigned 7 th March 2003) |
| J. McAulay | (resigned 31 st December 2002) |
| P. J. Smith | |
| O. Iazard | (appointed 17 th February 2003) |
| F. S. Dévé | (appointed 18 th September 2002) |
| O. M. Gimpel | (appointed 18 th September 2002) |

The directors and their families had no interests in the issued share capital of the company or of any UK group company at 28th December 2002 or 29th December 2001.

Donations

During the year, the company made contributions totalling £6,952 (year ended 29th December 2001 : £23,008), all of which were for charitable purposes.

Employee Involvement

The framework of company wide and departmental consultative and bargaining arrangements which has been developed in previous years continues to operate. In a period of significant challenge, change, and opportunity for the company, it provides an essential basis for the maintenance of good industrial relations and for developing a deeper understanding of the needs of the business, its employees and its customers.

Disabled Persons

The company offers appropriate employment, training and promotion to disabled people where the disability does not materially affect work-performance. Should it become necessary, every effort would be made in accordance with this policy to continue the employment of anyone becoming disabled whilst in the service of the company.

Auditors

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

REDCATS (BRANDS) LIMITED

DIRECTORS' REPORT

(Continued)

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. 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 United Kingdom accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



By order of the Board.
F. W. OAKES.
Secretary.

26 June 2003.

18 Canal Road,
Bradford.
BD99 4XB.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

REDCATS (BRANDS) LIMITED

We have audited the financial statements of Redcats (Brands) Limited for the year ended 28th December 2002 which comprise the profit and loss account, the reconciliation of movements in equity shareholders' funds, the statement of total recognised gains and losses, the balance sheet, the statement of accounting policies and related notes 1 to 19. 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 the directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the 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 is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

REDCATS (BRANDS) LIMITED

(Continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28th December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche

Leeds

Chartered Accountants and Registered Auditors

26 June 2003

REDCATS (BRANDS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28th DECEMBER 2002

| | | Year ended 28 th December 2002 £'000 | Restated Year ended 29 th December 2001 £'000 |
|--|-------|--|--|
| | Notes | | |
| Turnover - Continuing Operations | 1 | 219,368 | 236,315 |
| Cost of Sales | | (136,277) | (143,280) |
| Gross Profit | | 83,091 | 93,035 |
| Net Operating Expenses | 1 | (79,721) | (90,577) |
| Operating profit - Continuing Operations | 1 | 3,370 | 2,458 |
| Interest receivable and similar income | 2 | 325 | 402 |
| Interest payable and similar charges | 3 | (236) | (244) |
| Profit on ordinary activities before taxation | | 3,459 | 2,616 |
| Taxation on profit on ordinary activities | 5 | (1,334) | (1,358) |
| Profit on ordinary activities after taxation for the financial year | | 2,125 | 1,258 |
| Dividends | 6 | - | - |
| Retained profit for the financial year transferred to reserves | 14 | 2,125 | 1,258 |

REDCATS (BRANDS) LIMITED

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 28th DECEMBER 2002

| | Year ended 28 th December 2002 £'000 | Restated Year ended 29 th December 2001 £'000 |
|--|--|--|
| Profit for the financial year | 2,125 | 1,258 |
| Dividends | - | - |
| Net addition to equity shareholders' funds | 2,125 | 1,258 |
| Opening equity shareholders' funds (as restated) | 1,748 | 490 |
| Closing equity shareholders' funds | 3,873 | 1,748 |
| | ==== | ==== |

Equity shareholders' funds have been restated for the year ended 29th December 2001 in accordance with FRS 19. Closing equity shareholders' funds for that period were £1,255,000 prior to restatement. The details of the restatement are given in note 12.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES


FOR THE YEAR ENDED 28th DECEMBER 2002

| | Year ended 28 th December 2002 £'000 | Restated Year ended 29 th December 2001 £'000 |
|--|--|--|
| Total recognised gains and losses for the year | 2,125 | 1,258 |
| Prior year adjustment (see note 12) | 493 | - |
| Total gains and losses recognised since last annual report | 2,618 | 1,258 |
| | ==== | ==== |

REDCATS (BRANDS) LIMITED**BALANCE SHEET****AS AT 28th DECEMBER 2002**

| | Note | 28 th December 2002 £'000 | Restated 29 th December 2001 £'000 |
|--|------|--|--|
| Fixed assets | | | |
| Tangible Assets | 7 | 9,674 | 11,398 |
| Current Assets | | | |
| Stocks | 8 | 24,102 | 27,856 |
| Debtors | 9 | 175,125 | 168,251 |
| Cash at bank and in hand | | 12,868 | 5,441 |
| | | 212,095 | 201,548 |
| Creditors: amounts falling due within one year | 10 | (215,008) | (207,378) |
| Net current liabilities | | (2,913) | (5,830) |
| Total assets less current liabilities | | 6,761 | 5,568 |
| Creditors: amounts falling due after more than one year | 11 | (2,056) | (2,988) |
| Provisions for liabilities and charges | 12 | (832) | (832) |
| Net assets | | 3,873 | 1,748 |
| Capital and reserves | | | |
| Called up share capital | 13 | - | - |
| Profit and loss account | 14 | 3,873 | 1,748 |
| Total Equity Shareholders' Funds | | 3,873 | 1,748 |

Approved by the Board on 26 June 2003.


O. IZARD
Director

REDCATS (BRANDS) LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 28th DECEMBER 2002

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards under the historical cost convention.

The principal accounting policies of the company have not changed during the year (with the exception of Taxation).

a. Tangible Fixed Assets

Depreciation is provided to write off the cost in equal instalments over the estimated useful economic lives of the assets.

The rates of depreciation are as follows :

Plant and equipment between 10% and 50% per annum.

b. Taxation

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

During the year, the company adopted FRS 19 "Deferred Tax". This has resulted in a restatement of the prior year results. The effect of the restatement is given in note 12.

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 financial statements.

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

c. Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value represents estimated selling price less all costs incurred in selling and distribution. Cost is valued at actual purchase price.

d. Catalogue costs

The costs of catalogue production and printing are charged to the accounts as they are incurred, with the exception of certain marketing stock which is carried forward and matched against the relevant trading season.

REDCATS (BRANDS) LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

e. **Leases**

Finance leases are capitalised and the resulting lease obligations are included in creditors. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term.

Operating lease rentals are charged against operating profits as they are incurred.

f. **Pension costs**

The cost of providing pension benefits is charged to the profit and loss account over the period benefiting from the employees' service.

The funding of the scheme is in accordance with the advice of professionally qualified actuaries.

g. **Foreign exchange**

Transactions denominated in foreign currencies are translated at the contracted rate or at the rate ruling at that date. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

h. **Turnover**

Turnover consists of the invoiced value of goods and services sold during the period stated net of value added tax.

i. **Debt factoring**

Debts which are subject to debt factoring arrangements are shown in the balance sheet as trade debtors, with the corresponding liability within creditors as the associated risks and rewards remain with the company.

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

1. Turnover and profit on ordinary activities before taxation

Turnover (all of which arises in the United Kingdom) and profit on ordinary activities before taxation are attributable to catalogue mail order retailing.

| | Year ended 28 th December 2002 £'000 | Year ended 29 th December 2001 £'000 |
|-------------------------|--|--|
| Net operating expenses: | | |
| Distribution costs | 32,509 | 35,195 |
| Administration expenses | 47,212 | 55,382 |
| | <u>79,721</u> | <u>90,577</u> |
| | ===== | ===== |

Operating profit is stated after charging:

| | | |
|----------------------------------|-------|-------|
| Depreciation - owned | 1,811 | 2,020 |
| - leased | 641 | 641 |
| (Profit) on sale of fixed assets | (5) | (36) |
| Auditors' remuneration - audit | 67 | 66 |
| - other services | 121 | 186 |
| Hire of plant and machinery | 708 | 856 |
| Operating lease charges - other | 915 | 975 |
| | === | ===== |

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

| | Year ended 28 th December 2002 £'000 | Year ended 29 th December 2001 £'000 |
|---|--|--|
| 2. Interest receivable and similar income | | |
| Amounts receivable from group companies | 294 | 325 |
| Other interest receivable | 31 | 77 |
| | ---- | ---- |
| | 325 | 402 |
| | === | === |
| 3. Interest payable and similar charges | | |
| Amounts payable to group companies | 28 | - |
| Finance lease interest | 207 | 237 |
| Other interest payable | 1 | 7 |
| | ---- | ---- |
| | 236 | 244 |
| | === | === |
| 4. Staff costs | | |
| Staff costs during the year including directors : | | |
| Salaries and wages | 32,574 | 32,653 |
| Social security | 2,172 | 2,167 |
| Pension costs and life assurance | 2,943 | 2,238 |
| | ----- | ----- |
| | 37,689 | 37,058 |
| | ===== | ===== |

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

| | Year ended 28 th December 2002 | Year ended 29 th December 2001 |
|---|---|---|
| 4. Staff costs (continued) | | |
| The average number of employees was: | Number | Number |
| Sales and distribution | 1,891 | 1,891 |
| Administration | 423 | 499 |
| | ----- | ----- |
| | 2,314 | 2,390 |
| | ===== | ===== |
| Of these employees, 1,133 (29 th December 2001 : 1,108) were part time | | |
| | £'000 | £'000 |
| Directors' emoluments during the year | | |
| Management remuneration | 1,677 | 1,387 |
| | ===== | ===== |
| Remuneration of the highest paid director excluding pension contributions | 252 | 268 |
| | === | === |

Six directors are members of a defined benefit pension scheme (year ended 29th December 2001 : six directors). The accrued pension benefit of the highest paid director at 28th December 2002 was £31,720 (year ended 29th December 2001 : £28,464).

Pensions arrangements

The pension cost figures used in these accounts comply with the current accounting standard SSAP 24 Accounting for Pension Costs. A new accounting standard, FRS 17 Retirement benefits, has been issued with transitional requirements applying this year.

The company operates and contributes to two defined benefit schemes for certain employees. The assets of the schemes are held in separate trustee administered funds.

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

4. Staff costs (continued)

The total pension cost for the group for the year ended 28th December 2002 was : £2,943,000 (2001 - £2,238,000).

SSAP 24 Accounting for pension costs

Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The company final salary schemes are subject to triennial valuation by independent actuaries, the last valuation being carried out as at 6th April 2002, using the projected unit method, in which the actuarial liability makes allowances for projected earnings. The following were the principal actuarial assumptions applied :-

| | |
|--------------------|---|
| Investment returns | 6.5% per annum before retirement and 5.50% after retirement |
| Salary growth | 3.5% per annum |
| Pension increase | 2.5% per annum |

At the last actuarial valuation date, the actuarial value of the assets of the final salary pension schemes was £34,250,000 and in the opinion of the actuary, this value was sufficient to cover 69% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The deficit disclosed by the valuation will be addressed by lump sum payments to the schemes by the employer over a maximum of 14 years.

FRS 17 Retirement benefits

Under the transitional arrangements of FRS 17, the group is required to disclose the following information about the schemes and the figures that would have been shown in the group balance sheet if FRS 17 applied in full today.

The full actuarial valuation at 6th April 2002 was updated to 28th December 2002 by a qualified actuary and showed that the market value of the schemes' assets was £28,025,000 and that the actuarial value of these assets represented 51% of the benefits that had accrued to members.

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

4. Staff costs (continued)

The assets in the schemes and the expected rates of return at 28th December 2002 were :

| | 28 th December 2002 | | 29 th December 2001 | |
|-------------------------------------|--|----------------|--|----------------|
| | Long term rate of return expected | Value £'000 | Long term rate of return expected | Value £'000 |
| Equities | 7.0% | 21,683 | 7.5% | 26,484 |
| Bonds | 5.5% | 1,910 | 6.0% | 1,270 |
| Other | 4.5% | 4,432 | 5.0% | 5,503 |
| | | ----- | | ----- |
| Total market value of assets | | 28,025 | | 33,257 |
| Present value of scheme liabilities | | (55,437) | | (47,805) |
| | | ----- | | ----- |
| Gross deficit | | (27,412) | | (14,548) |
| | | ----- | | ----- |
| Related deferred tax asset | | 8,224 | | 4,364 |
| | | ----- | | ----- |
| Net pension (liability) | | (19,188) | | (10,184) |
| | | ===== | | ===== |

If the above pension liabilities were recognised in the financial statements at 28th December 2002, the company's profit and loss reserve would be as follows :

| | Year ended 28 th December 2002 £'000 | As restated Year ended 29 th December 2001 £'000 |
|---|--|---|
| Profit and loss reserve excluding pension liability | 4,705 | 2,580 |
| Pension provision | (19,188) | (10,184) |
| | ----- | ----- |
| Profit and loss reserve including pension provision | (14,483) | (7,604) |
| | ===== | ===== |

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

4. Staff costs (continued)

The figures shown above were calculated using the following assumptions :

| | Year ended 28 th December 2002 | Year ended 29 th December 2001 |
|---|---|---|
| Discount rate | 5.5% | 6.0% |
| Rate of increase in salaries | 3.4% | 4.0% |
| Rate of increase in pensions in payment | 2.4% | 2.5% |
| Inflation assumption | 2.4% | 2.5% |
| | ===== | ===== |

The agreed contribution rate for future years is 13.5% for the Executive scheme and 9.2% for the Staff scheme.

Analysis of the movement in the scheme deficit during the year

| | Year ended 28 th December 2002 £'000 |
|--|--|
| Opening deficit in the scheme | (14,548) |
| Current service cost | (2,101) |
| Contributions | 2,116 |
| Past service costs | - |
| Net return on assets / (interest cost) | (522) |
| Actuarial (loss) | (12,357) |
| | ----- |
| Closing deficit in the scheme | (27,412) |
| | ===== |

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

4. **Staff costs** (continued)

Amounts that would have been included within the financial statements for the year ended 28th December 2002 had FRS 17 been applied are as follows :

| | Year ended 28 th December 2002 £'000 |
|--|--|
| Amounts included within operating profit: | |
| Current service cost | 2,101 |
| Past service cost | - |
| | ----- |
| Total included within operating profit | 2,101 ===== |

| | Year ended 28 th December 2002 £'000 |
|---|--|
| Amounts included as other finance costs: | |
| Expected return on scheme assets | 2,395 |
| (Discount) on scheme liabilities | (2,917) |
| | ----- |
| Net finance (charge) | (522) ===== |

Amounts that would have been included within the Statement of Total Recognised Gains and Losses in the year to 28th December 2002 had FRS 17 been applied are shown below, expressed in monetary amounts and as a percentage of :

- (i) scheme assets at the balance sheet date ;
- (ii) percentage value of the scheme liabilities at the balance sheet date

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

4. Staff costs (continued)

| | Year ended 28 th December 2002 £,000 | Year ended 28 th December 2002 % |
|---|---|---|
| Difference between actual and expected return on scheme assets (i) | (9,259) | (33)% |
| Experience gains arising on scheme liabilities (ii) | 50 | 0% |
| Effects of changes in assumptions underlying the present value of scheme liabilities (ii) | (3,148) | 6% |
| | ----- | ----- |
| Total actuarial gains and losses recognised in the STRGL (ii) | (12,357) | (22)% |
| | ===== | ===== |

Potential volatility of FRS 17

The method for calculating the net pension asset under FRS 17 is likely to lead to volatility in the amount to be included in the balance sheet. Pension scheme liabilities are measured by reference to long term AA bond yield that can move substantially and rapidly according to market conditions. The yield on the AA bond index used fell in the range of 5.1% to 6.0% in the 12 months prior to the balance sheet date. The Schemes' assets, which principally comprise equities, are also subject to large market swings. During the year ended 28th December 2002 the FTSE All Share Index was between 39.8% higher and 3.4% lower than at the balance sheet date.

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

| | Year ended 28 th December 2002 £'000 | Restated Year ended 29 th December 2001 £'000 |
|--|--|--|
| 5. Taxation | | |
| U.K. corporation tax at 30% (Year ended 29 th December 2001 : 30%) | 1,427 | 1,214 |
| Adjustment in respect of prior years | (289) | 147 |
| Deferred tax : | | |
| Timing differences; origination and reversal | 191 | (3) |
| Adjustments in respect of prior years | 5 | - |
| | <u>1,334</u> | <u>1,358</u> |
| | ===== | ===== |

The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK of 30% (2001 : 30%). The differences are explained below :

| | Year ended 28 th December 2002 £'000 | Restated Year ended 29 th December 2001 £'000 |
|---|--|--|
| Profit on ordinary activities before taxation | 3,459 | 2,616 |
| Tax at 30% thereon : | 1,038 | 785 |
| Effects of : | | |
| Expenses not deductible for tax purposes | 580 | 426 |
| Capital allowances in excess of depreciation | 5 | 134 |
| Movement in short term timing differences | (196) | (131) |
| Prior period adjustments | (289) | 147 |
| | <u>1,138</u> | <u>1,361</u> |
| | ===== | ===== |
| Current tax charge for the period | | |

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

6. Dividends

The directors do not propose the payment of a dividend in respect of the year ended 28th December 2002 (year ended 29th December 2001 : Nil).

7. Tangible fixed assets

| | Plant and Equipment £'000 |
|--|---------------------------------|
| Cost | |
| At 30 th December 2001 | 22,849 |
| Additions | 749 |
| Disposals | (607) |
| | ----- |
| At 28 th December 2002 | 22,991 |
| | ----- |
| Accumulated depreciation | |
| At 30 th December 2001 | 11,451 |
| Provided during year | 2,452 |
| Released on disposal | (586) |
| | ----- |
| At 28 th December 2002 | 13,317 |
| | ----- |
| Net book value at 28 th December 2002 | 9,674 |
| | ===== |
| Net book value at 29 th December 2001 | 11,398 |
| | ===== |

REDCATS (BRANDS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28th DECEMBER 2002
(Continued)

7. Tangible fixed assets (continued)

Included in plant and equipment at 28th December 2002 are assets held under finance leases:

| | |
|---|----------------|
| | £'000 |
| Net book value (29 th December 2001 : £4,960,000) | 4,319 ===== |
| Depreciation provided during the year (year ended 29 th December 2001 : £641,000) | 641 === |

8. Stocks

Stocks comprise of goods for resale. The directors consider that the replacement value of stock is not significantly different from the value shown in the balance sheet.

9. Debtors

| | Year ended 28 th December 2002 £'000 | Restated Year ended 29 th December 2001 £'000 |
|--|--|--|
| Due within one year | | |
| Trade debtors | 155,797 | 155,933 |
| Amounts due from parent company | - | 1,019 |
| Amounts due from fellow subsidiaries | 13,101 | 5,287 |
| Deferred Tax (see note 12) | 297 | 493 |
| Prepayments and accrued income/other debtors | 3,926 | 3,820 |
| | ----- 173,121 | ----- 166,552 |
| Due after more than one year | | |
| Trade debtors | 2,004 | 1,699 |
| | ----- 175,125 ===== | ----- 168,251 ===== |

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

| | Year ended 28 th December 2002 £'000 | Year ended 29 th December 2001 £'000 |
|--|--|--|
| 10. Creditors: amounts falling due within one year | | |
| Bank loans and overdrafts | 532 | 337 |
| Finance lease obligations | 932 | 901 |
| Trade creditors | 11,378 | 9,567 |
| Amounts due to parent company and fellow subsidiaries | 156,137 | 143,815 |
| Other taxation and social security | 2,816 | 6,639 |
| Corporation tax | 2,132 | 3,799 |
| Other creditors | 32,776 | 33,137 |
| Accruals and deferred income | 8,305 | 9,183 |
| | ----- 215,008 ===== | ----- 207,378 ===== |
| 11. Creditors: amounts falling due after more than one year | | |
| Finance lease obligations : | | |
| Payable between one and two years | 963 | 932 |
| Payable between two and five years | 1,029 | 1,958 |
| Payable in more than five years | 64 | 98 |
| | ----- 2,056 ===== | ----- 2,988 ===== |
| 12. Provisions for liabilities and charges | | |
| Pension cost | 832 === | 832 === |

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

12. Provisions for liabilities and charges (continued)

Deferred taxation liabilities/(assets) provided :

| | Assets | | Liabilities | |
|------------------------------|------------------|------------------------------|------------------|------------------------------|
| | 28 th | Restated 29 th | 28 th | Restated 29 th |
| | December | December | December | December |
| | 2002 | 2001 | 2002 | 2001 |
| | £'000 | £'000 | £'000 | £'000 |
| At beginning of year | (562) | (693) | 69 | 203 |
| Current year charge/(credit) | 196 | 131 | - | (134) |
| | ---- | ---- | ---- | ---- |
| At end of year (see note 9) | (366) | (562) | 69 | 69 |
| | ==== | ==== | === | === |

Deferred taxation liabilities/(assets) comprised :

| | Provided assets | | Provided liabilities | |
|--|------------------|------------------------------|----------------------|------------------------------|
| | 28 th | Restated 29 th | 28 th | Restated 29 th |
| | December | December | December | December |
| | 2002 | 2001 | 2002 | 2002 |
| | £'000 | £'000 | £'000 | £'000 |
| Capital allowances in excess of depreciation | - | - | 69 | 69 |
| Other timing differences | (366) | (562) | - | - |
| | ==== | ==== | === | === |

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

12. Provisions for liabilities and charges (continued)

There were no amounts in respect of unprovided deferred tax (2001 (restated)) : £Nil).

The adoption of FRS 19 'Deferred Tax' has required a change to the accounting treatment of deferred tax and the prior year results have been restated accordingly as follows :

| | Deferred tax asset £'000 | Profit and loss account £'000 | |
|---|---------------------------------------|---|-------|
| Balance sheet | | | |
| As previously reported at 29 th December 2001 | - | 1,255 | |
| Adoption of FRS 19 at 30 th December 2000 | 490 | 490 | |
| Application of FRS 19 during the year ended 29 th December 2001 | 3 | 3 | |
| | ---- | ----- | |
| 29 th December 2001 as restated | 493 | 1,748 | |
| | ==== | ===== | |
| | | Profit on ordinary activities after taxation £'000 | |
| | Profit before taxation £'000 | Taxation £'000 | |
| Profit and loss account | | | |
| Year ended 29 th December 2001 as previously reported | 2,616 | (1,361) | 1,255 |
| Adoption of FRS 19 | - | 3 | 3 |
| | ----- | ----- | ----- |
| Year ended 29 th December 2001 as restated | 2,616 | (1,358) | 1,258 |
| | ===== | ===== | ===== |

The adoption of FRS 19 has increased the profit and loss account tax charge and decreased profit after taxation by £196,000 in the year ended 28th December 2002.

REDCATS (BRANDS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

| | Year ended 28 th December 2002 £ | Year ended 29 th December 2001 £ |
|--|--|--|
| 13. Called up share capital | | |
| 100 authorised shares of £1 each | 100 === | 100 === |
| 100 ordinary shares of £1 each called up, allotted and fully paid | 100 === | 100 === |
| | | £'000 |
| 14. Profit and loss account | | |
| At 30 th December 2001 (restated) | | 1,748 |
| Retained profit for the year | | 2,125 ----- |
| At 28 th December 2002 | | 3,873 ===== |
| 15. Capital commitments | | |
| | Year ended 28 th December 2002 £'000 | Year ended 29 th December 2001 £'000 |
| Contracted for but not provided in the financial statements | 1,559 ===== | 569 ===== |

REDCATS (BRANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28th DECEMBER 2002

(Continued)

16. Operating leases

At 28th December 2002 the company was committed to making the following payments during the next year in respect of operating leases:

| | Land and buildings £'000 | Plant and machinery £'000 |
|----------------------------|--------------------------------|---------------------------------|
| Leases which expire : | | |
| In one year or less | 149 | 55 |
| Between two and five years | 36 | 485 |
| In five years or more | 377 | 43 |
| | ---- | ---- |
| | 562 | 583 |
| | === | === |

17. Cash flow statement

The company has taken advantage of the exemption contained in FRS 1 not to publish its own cash flow statement as it is a wholly owned subsidiary of Pinault Printemps-Redoute S.A. and its cash flows are dealt with in the consolidated cash flow statement of that company.

18. Related party transactions

The company has taken advantage of the exemption contained in FRS 8 not to publish details of related party transactions with other group companies as it is a wholly owned subsidiary of Pinault Printemps-Redoute S.A.

19. Ultimate parent company

The company is a wholly owned subsidiary of REDCATS (UK) plc, which is registered in England and Wales.

The company's ultimate parent company and ultimate controlling party is Pinault Printemps-Redoute S.A., which is incorporated in France.

Copies of the group financial statements of Pinault-Printemps-Redoute S.A. are available from the Company Secretary, REDCATS (UK) plc, 18 Canal Road, Bradford, West Yorkshire, BD99 4XB.