

M.C. HITCHEN & SONS LIMITED
(Registered No. 144063)

REPORT AND FINANCIAL STATEMENTS

30 APRIL 2002



M.C. HITCHEN & SONS LIMITED**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2002**

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M.C. HITCHEN & SONS LIMITED**REPORT OF THE DIRECTORS**

The directors hereby submit their report, together with the financial statements of the company, for the year ended 30 April 2002.

ACTIVITIES AND BUSINESS REVIEW

The Company is an undisclosed agent of Littlewoods Retail Limited. The directors do not expect these circumstances to change in the foreseeable future.

The Company did not trade during this or the preceding financial year and, accordingly, it made neither a profit nor a loss. Therefore, no profit and loss account is attached.

As the company was entirely inactive during the year, the balance sheet shows no change from the 2001 position. The company is likely to remain inactive in the year ending 30 April 2003.

DIRECTORS

The directors who held office during the year were:-

| | |
|--------------|-------------------------|
| E P Edmonds | (resigned 15 July 2002) |
| A White | (resigned 10 July 2002) |
| J N Ogilvie | (appointed 1 May 2002) |
| A K McGeorge | (appointed 1 May 2002) |

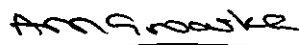
There are no interests of directors which are within the disclosure requirements of the Companies Act 1985 in relation to the company, in shares of the company, its holding company or subsidiaries of the holding company.

During the period no remuneration or benefits of any kind were received by any director from the company.

AUDITOR

A resolution to re-appoint KPMG Audit Plc as auditor of the company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



LIVERPOOL -

LITTLEWOODS SECRETARIAL SERVICES LIMITED
Secretary

M.C. HITCHEN & SONS LIMITED**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 and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
M.C. HITCHEN & SONS LIMITED

We have audited the financial statements on pages 5 to 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

BASIS OF AUDIT 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 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30 October 2002
LIVERPOOL -


KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

M.C. HITCHEN & SONS LIMITED
BALANCE SHEET AS AT 30 APRIL 2002

| | Notes | 30.4.02 £000 | 30.4.01 £000 |
|--|-------|-----------------|-----------------|
| CURRENT ASSETS | | | |
| Debtors: Amounts falling due within one year from group undertakings | | 5,063 | 5,063 |
| NET ASSETS | | <u>5,063</u> | <u>5,063</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 1 | 3,825 | 3,825 |
| Share Premium | 1 | 529 | 529 |
| Revaluation reserve | 1 | - | - |
| Profit and loss account | 1 | 709 | 709 |
| Equity Shareholders' Funds | | <u>5,049</u> | <u>5,049</u> |
| Non Equity Shareholders' Funds | | <u>14</u> | <u>14</u> |
| TOTAL SHAREHOLDERS' FUNDS | | <u>5,063</u> | <u>5,063</u> |

The financial statements on pages 5 to 7 were approved by the Board of Directors on 30th October 2002 and signed on its behalf by:



Director

M.C. HITCHEN & SONS LIMITED**STATEMENT OF ACCOUNTING POLICIES****PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985. The company has adopted FRS 18, 'Accounting Policies' during the period. This has not led to any prior year adjustments. Following the adoption of FRS 18 'Accounting Policies' the directors have reviewed the company's existing accounting policies and consider that they are appropriate. A summary of the more important accounting policies, which have been applied consistently, is set out below.

CASH FLOW

The company is a wholly owned subsidiary of Littlewoods PLC; consequently, the company is exempt from the requirement of FRS 1 (revised) to prepare a separate cash flow statement.

RELATED PARTY TRANSACTIONS

In accordance with the exemption conferred by FRS 8, details of transactions with entities in the same group have not been disclosed.

M.C. HITCHEN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

ENDED 30 APRIL 2002

| | | |
|--|--------------|--------------|
| 1. CAPITAL AND RESERVES | 2002 | 2001 |
| | £000 | £000 |
| CALLED UP SHARE CAPITAL | | |
| Authorised | | |
| 16,000 7% Cumulative Preference shares @ £1 each | 16 | 16 |
| 3,984,000 Ordinary shares @ £1 each | 3,984 | 3,984 |
| | <u>4,000</u> | <u>4,000</u> |
| Allotted, called up and fully paid | 2002 | 2001 |
| | £000 | £000 |
| 13,450 7% Cumulative Preference shares @ £1 each | 14 | 14 |
| 3,811,200 Ordinary shares @ £1 each | 3,811 | 3,811 |
| | <u>3,825</u> | <u>3,825</u> |

The holding company has waived its rights to receive the dividend on the 7% Cumulative Preference Shares.

The Preference Shares are redeemable at the company's option at par. There is no specified redemption date.

The shares are non voting and have a preferential right to return of capital on a winding up.

2. ULTIMATE HOLDING COMPANY AND PARENT UNDERTAKING OF LARGEST GROUP OF WHICH THE COMPANY IS A MEMBER

The immediate holding company is Littlewoods Retail Limited, which is registered in England and Wales.

The ultimate holding company is Littlewoods PLC which is registered in England and Wales.