Company No: 399575

AUSTIN REED LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JANUARY 2004

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AUSTIN REED LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JANUARY 2004

The Directors present herewith the audited accounts for the year ended 31 January 2004.

Business Activities

The Company sells high quality apparel for both ladies and men and also provides ancillary services through its retail outlets in the UK.

The Directors expect that the level of activity in the retail division will improve in the year ahead.

Results and Dividends

The profit and loss account for the year is set out on page 6. The loss for the year, after taxation, amounted to £3,106,849 (2003: Profit £941,996).

The Directors do not recommend the payment of a dividend (2003:£125 per share) for the year ended 31 January 2004 thus leaving £ 3,106,849 to be transferred from retained profits (2003: £308,004 transferred from retained profits).

The Environment

The environmental committee, comprising of representatives from throughout the Austin Reed Group, has increased the focus of attention on issues of an environmental nature during the year. It reports directly to the Acting Chief Executive of Austin Reed Group who is responsible for overseeing the implementation of an environmental policy. The Committee has developed and issued an Environmental Statement to employees and suppliers.

During the year staff have been reminded of the Group's commitment to environmental issues and ways in which they can individually make a difference. The main focus attention remains in the areas of packaging waste, use of raw materials, energy usage and transport.

Directors

The Directors of the Company at 31 January 2004 all of whom have served throughout the year, unless otherwise stated were:

AJ Briggs	Resigned 10 June 2003
G Gibson	
RW Jennings	Resigned 14 January 2004
WA Lowbridge	Appointed 10 June 2003
NW Hollingworth	Appointed 26 May 2004

Directors' Interests

According to the register required to be kept by Section 325 of the Companies Act 1985, no director at 31 January 2004 had any interest in the shares of the Company.

The interests of the directors in the shares of the Company's Holding Company at the beginning and end of the financial year (or date of resignation) and the movements in their share options for the year were:-

	Ordinary Shares		Share Options				
	10 Jun 03	31 Jan 03	10 Jun 03	Granted	Exercised	Lapsed	31 Jan 03
AJ Briggs	2,584	2,584	57,152	-	-	-	57,152

As permitted by Statutory Instrument the register does not include any shareholdings of directors who are also directors of the Holding Company.

Employment of Disabled Persons

The Company continues to provide full and sympathetic consideration to the employment, training, career development and promotion of disabled employees; including those becoming disabled after their employment has commenced. Each case is considered on its individual circumstances.

Employee Communication

The Company has maintained its arrangements for communication to employees through weekly newsletters, bulletins and periodic reports. A Group intranet site has also been established and staff are encouraged to access this to be kept informed of business progress, along with financial and personnel issues. Employees are encouraged to consider personal development opportunities and ways of improving their performance and customer service.

Auditors and Annual General Meeting

Pursuant to a resolution passed by the members, the Company has elected to dispense with the holding of Annual General Meetings, of laying financial statements and reports before the Company in General Meeting, and with the obligation to reappoint the auditors annually.

Payment of Suppliers

It is the Company's policy to pay its suppliers in accordance with the terms of trade which may be agreed at the time of order.

The Company's average credit payment period at 31 January 2004 was 42 days (2003: 23 days).

Post Balance Sheet Event

The exceptional cost of sale expense represents a post balance sheet adjustment to the carrying value of stock, based on the Directors' best estimate of recoverability, following the management initiative to accelerate the disposal of stock bought in previous years.

By Order of the Board

Simon N Waite
Company Secretary

15 November 2004

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

The directors are required by UK Company Law to prepare accounts 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 period.

In preparing the accounts for the year ended 31 January 2004 suitable accounting policies have been used and applied consistently, framed by reference to reasonable and prudent judgements and estimates. Applicable accounting standards have been followed and the accounts have been prepared on a going concern basis. The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company 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 for ensuring that steps are taken to prevent and detect fraud and other irregularities.

By Order of the Board

Simon N Waite
Company Secretary

15 November 2004

Independent auditors' report to the members of Austin Reed Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

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 at 31 January 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Edinburgh
15 November 2004

For the year ended 31 January 2004

	Notes	2004 Before Exceptional Items £	2004 Exceptional Items £	2004 Total £	2003 Total £
Turnover	2	53,667,991	-	53,667,991	56,134,192
Cost of sales		25,727,387	900,000	26,627,387	27,279,916
Gross profit		27,940,604	(900,000)	27,040,604	28,854,276
Net operating expenses	3	29,592,049	998,431	30,590,480	26,957,964
Operating (loss)/profit	8	(1,651,445)	(1,898,431)	(3,549,876)	1,896,312
Loss on disposal of fixed assets	9	-	397,341	397,341	-
(Loss)/profit on ordinary activities before interest and taxation		(1,651,445)	(2,295,772)	(3,947,217)	1,896,312
Interest payable	4	(1,195,400)	-	(1,195,400)	(894,800)
(Loss)/profit on ordinary activities before taxation	5	(2,846,845)	(2,295,772)	(5,142,617)	1,001,512
Taxation	10	717,036	688,732	1,405,768	(59,516)
(Loss)/profit on ordinary activities after taxation		(2,129,809)	(1,607,040)	(3,736,849)	941,996
Dividends on equity shares paid and proposed	12	-	-	-	1,250,000
Retained (loss)/profit for the financial year	18	(2,129,809)	(1,607,040)	(3,736,849)	(308,004)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 January 2004

	Notes	2004 £	2003 £
(Loss)/profit for the financial year		(3,736,849)	941,996
Unrealised deficit on property revaluation	19	(2,558,353)	-
Total recognised losses		(6,295,202)	941,996

NOTE OF HISTORICAL COST PROFITS AND LOSSES
For the year ended 31 January 2004

	2004 £	2003 £
(Loss)/profit on ordinary activities before taxation	(5,142,617)	1,001,512
Realisation of property revaluation gains of prior years	285,003	156,888
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	237,130	260,000
Historical cost (loss)/profit on ordinary activities before taxation	(4,620,484)	1,418,400
Historical cost loss for the year retained after taxation and dividends	(3,214,716)	108,884

at 31 January 2004

	Notes	2004		2003	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		48,658,564		44,830,057
CURRENT ASSETS					
Stocks	14	11,699,350		11,293,200	
Debtors	15	4,377,110		4,498,825	
Cash at bank and in hand		18,745		17,950	
		16,095,205		15,809,975	
CREDITORS					
Amounts falling due within one year	16	41,792,266		30,980,327	
			(25,697,061)		(15,170,352)
Total assets less current liabilities			22,961,503		29,659,705
PROVISION FOR LIABILITIES AND CHARGES	11		908,377		1,311,377
			22,053,126		28,348,328
CAPITAL AND RESERVES					
Called up share capital	17		45,000		45,000
Profit and loss account	18		(1,373,003)		2,078,843
Share premium account			1,627,681		1,627,681
Revaluation reserve	19		21,748,448		24,591,804
Capital redemption reserve			5,000		5,000
Total shareholder's funds	20		22,053,126		28,348,328
Equity shareholder's funds			22,018,126		28,313,328
Non-equity shareholder's funds			35,000		35,000
Total shareholder's funds			22,053,126		28,348,328

The accounts on pages 5 to 16 were approved by the Board of Directors on 15 November 2004 and are signed on its behalf by :

G Gibson G. Gibson Director

at 31 January 2004

1. ACCOUNTING POLICIES

The accounting policies have been applied consistently throughout the periods under review and are in accordance with applicable accounting Standards in the United Kingdom. Compliance with SSAP 19 (Accounting for Investment Properties) requires departure from the requirement of the Companies Act 1985 relating to depreciation and an explanation of this departure is given below.

Accounting convention

The accounts have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets, and Accounting Standards in the United Kingdom.

Turnover

Turnover is the amount receivable from customers and licensees. Turnover excludes Value Added Tax and is recognised at the point of sale.

Licensing Income

The company accounts for royalties on an accruals basis taking a prudent view of the income earned by reference to agreed minimum payments and sales information provided by licensees.

Fixed Assets and Depreciation

Freehold and long leasehold properties are valued every three years by a firm of independent chartered surveyors. Any increase or deficit on revaluation is reflected in the carrying value of the premises at that time. Any permanent diminution in value is charged to the profit and loss account. The latest triennial valuation was carried out as at 31 January 2004. No value is attributed to short term leases. Plant and fittings are included at cost.

In accordance with SSAP 19, investment properties are revalued annually by the Directors (and every three years by independent chartered surveyors) and are not depreciated. The requirement of the Companies Act 1985 is to depreciate all properties, but the requirement conflicts with the generally accepted principle set out in SSAP 19. The Directors consider that to depreciate such properties would not give a true and fair view, but that a true and fair view is given by following SSAP19 as described above. If this departure from the Companies Act 1985 had not been made, then the loss for the year would have been increased by £40,000.

It is the Company's policy to maintain its properties in a state of good repair to maximise their useful lives. Depreciation is provided on the building content of freehold properties in even amounts over 50 years to reflect a reduction to residual value. Long leasehold properties are written off in even amounts over the lease term.

Assets under construction include capitalised interest costs and directly attributable staff salaries. These assets are not depreciated until the asset is available for use.

It is general policy to write-off the historical cost of plant in even amounts over 20 years, fittings over 3 - 10 years and motor vehicles and computer equipment over 4 years.

Stocks

Stock of merchandise and materials are valued at the lower of cost and net realisable value.

at 31 January 2004

1. ACCOUNTING POLICIES (Continued)

Deferred Taxation

Deferred tax 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 is not provided on timing differences arising from revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. 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.

Foreign Currencies

Profit and loss items are translated at appropriate average rates. Assets and liabilities are translated at the rates ruling at the end of the year with the exception of foreign currency debtors and creditors that are hedged by foreign currency forward contracts, which are translated at the forward rate. All other exchange differences are taken to the profit and loss account.

Pension Scheme

The company's pensionable employees are members of the Austin Reed Group contributory defined benefit scheme. Contributions are paid to the scheme in accordance with the recommendations of an independent actuary. Actuarial surpluses are recognised over the expected average remaining service lives of the scheme members.

Operating Leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Cashflow Statement

The company is a wholly-owned subsidiary of Austin Reed Group PLC and the cash flows of the company are included in the consolidated group cash flow statement of Austin Reed Group PLC. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cashflow statement.

2. SEGMENT ANALYSIS

Turnover

Class of business	2004 £	2003 £
Retail	51,072,923	53,912,909
Licensing	2,595,068	2,221,283
	53,667,991	56,134,192

Sales by destination	2004 £	2003 £
United Kingdom	50,935,041	54,032,524
Rest of Europe	303,483	17,362
North America	909,675	622,486
Far East	1,519,792	1,461,820
	53,667,991	56,134,192

All sales originate from the United Kingdom.

at 31 January 2004

2. SEGMENT ANALYSIS (continued)

Under the terms of Statement of Standard Accounting Practice No 25 a segment analysis of profit before taxation is not provided. A detailed review of segmental profit can be found in the accounts of the parent company.

Net assets

	2004 £	2003 £
Retail	21,303,177	27,062,328
Licensing	749,949	1,286,000
	22,053,126	28,348,328

All net assets are situated in the United Kingdom.

3. NET OPERATING EXPENSES

Net operating expenses are analysed as follows :-

	2004 £	2003 £
Selling expenses	27,614,252	24,369,656
Administration expenses	3,073,433	2,881,658
Other operating (income)/charges	(97,205)	(293,350)
	30,590,480	26,957,964

4. INTEREST PAYABLE

	2004 £	2003 £
Interest payable to parent company	1,195,400	894,800
	1,195,400	894,800

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

	2004 £	2003 £
(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting) :		
Operating leases - land & buildings	7,874,900	7,036,429
- plant & machinery	436,933	419,906
Depreciation	2,306,549	2,012,460
(Loss)/gain on sale or disposal on fixed assets	380,341	(82,021)
Auditors' remuneration - Audit fees	30,000	30,000
- Non-Audit fees	-	5,880

at 31 January 2004

6. OPERATING LEASE COMMITMENTS

	2004		2003	
	Land & Buildings	Plant & Machinery	Land & Buildings	Plant & Machinery
	£	£	£	£
Annual commitments under operating leases at 31 January 2004 are as follows :				
Expiring within one year	1,733,042	23,072	1,262,236	59,521
Expiring between two and five years	1,295,968	342,985	304,300	351,102
Expiring in over five years	5,007,815	-	6,276,395	-
	8,036,825	366,057	7,842,931	410,623

7. EMPLOYEES

The average number of persons employed by the company including Executive Directors during the year is analysed below:-

	2004 Number	2003 Number
Selling and administration	595	582
	595	582

Staff costs during the year amounted to :

	£	£
Wages and salaries	10,788,332	10,575,526
Social security costs	841,339	860,805
Other pension costs	253,216	284,008
	11,882,887	11,720,339

Directors' Remuneration

	£	£
Aggregate emoluments	24,289	82,718

Retirement benefits are accruing to one director under a defined benefit pension scheme.

8. EXCEPTIONAL OPERATING LOSS

The operating loss comprises items which are exceptional by way of their nature or size and are therefore disclosed separately.

The exceptional cost of sale expense of £900,000 represents a post balance sheet adjustment to the carrying value of stock, based on the Director's best estimate of recoverability, following the management initiative to accelerate the disposal of stock bought in previous years.
The exceptional operating expenses of £998,431 consist of reorganisation costs and the agreement of a VAT settlement relating to prior years.
The tax credit for the year includes £569,530 in respect of these items.

9. LOSS ON DISPOSAL OF FIXED ASSETS

The exceptional loss on disposal of fixed assets relates to loss on disposal of assets in the refurbished Regent Street store.
The tax credit for the year includes £119,202 in respect of these items.

at 31 January 2004

10. TAXATION

The taxation charge which is based on the loss for the year is made up as follows :-

	2004	2003
	£	£
Current tax		
UK Corporation tax at 30.0% (2003 - 30.0%)	-	(1,282)
Group relief receivable	(735,610)	-
Adjustments in respect of prior years	(267,158)	188,698
	(1,002,768)	187,416
Less relief for overseas tax	(220,000)	(137,000)
	(1,222,768)	50,416
Overseas taxation	220,000	156,000
Total current tax	(1,002,768)	206,416
Deferred tax		
Origination and reversal of timing differences	(699,000)	379,600
Adjustments in respect of prior years	296,000	(526,500)
	(1,405,768)	59,516

Reconciliation of current tax charge:		
(Loss)/profit on ordinary activities before taxation	(5,142,617)	1,001,512
Expected tax (credit)/charge at standard rate	(1,542,785)	300,454
Expenses not deductible for corporation tax	108,175	78,356
Accelerated capital allowances & other timing differences	699,000	(380,092)
Adjustments to tax charge in respect of prior periods	(267,158)	188,698
Foreign tax not recoverable	-	19,000
Current tax (credit)/charge for the year	(1,002,768)	206,416

Significant items altering the future tax charge, where deferred taxation is not provided, are shown within note 11.

11. PROVISION FOR LIABILITIES AND CHARGES

	2004	2003
	£	£
Deferred taxation		
Amount provided at beginning of year	1,311,377	1,458,277
Transfer (to)/from profit and loss account	(403,000)	(146,900)
	908,377	1,311,377
Deferred taxation is provided on :		
Accelerated capital allowances	203,000	411,000
Short term timing differences	705,377	900,377
	908,377	1,311,377
Deferred taxation is not provided on :		
Heldover capital gains	100,000	100,000
Unrealised profit on revalued properties	1,631,000	1,700,000
	1,731,000	1,800,000

12. DIVIDENDS PAID AND PROPOSED

	2004 £	2003 £
Dividends on equity shares		
Ordinary - Interim paid of £nil per share (2003: £125)	-	1,250,000
	-	1,250,000

13. FIXED ASSETS

	Freehold Property £	Leasehold Property £	Investment Property £	Plant & vehicles £	Assets under construction Build costs £	Ancillary costs £	Total £
Cost (or Valuation) :							
At 1 February 2003							
- Valuation at 31 January 2003	15,726,630	13,900,000	-	-	-	-	29,626,630
- Cost	-	-	-	21,502,202	6,354,218	-	27,856,420
Reclassifications	-	(1,600,000)	1,600,000	-	(731,286)	731,286	0
Additions	-	-	-	2,304,688	6,932,607	325,048	9,562,343
Transfers between asset classifications	200,000	6,543,860	1,434,249	5,433,764	(12,555,539)	(1,056,334)	0
Disposals	(370,000)	-	-	(3,286,243)	-	-	(3,656,243)
Revaluation	(756,630)	(2,193,860)	(234,249)	-	-	-	(3,184,739)
At 31 January 2004	14,800,000	16,650,000	2,800,000	25,954,411	-	-	60,204,411
Depreciation :							
At 1 February 2003	125,370	180,519	-	12,347,104	-	-	12,652,993
Charges in the year	138,078	189,170	-	1,979,301	-	-	2,306,549
Disposals	(6,750)	-	-	(2,780,558)	-	-	(2,787,308)
Revaluation	(256,698)	(369,689)	-	-	-	-	(626,387)
At 31 January 2004	-	-	-	11,545,847	-	-	11,545,847
Net book value :							
At 31 January 2004	14,800,000	16,650,000	2,800,000	14,408,564	-	-	48,658,564
At 1 February 2003	15,601,260	13,719,481	-	9,155,098	6,354,218	-	44,830,057

Included in assets under construction are separate amounts in respect of build costs and ancillary costs incurred in the refurbishment of the Regent Street store. Build costs contain those costs associated with the external contractor. Ancillary costs include those relating to initial design, insurance, capitalised interest and internal costs.

It is the Company's policy to capitalise interest costs on a gross basis on tangible fixed assets during their construction stage. The amount of capitalised interest included within leasehold properties is £339,000 (2003: £190,000).

All the freehold, leasehold and investment properties were independently revalued on an existing use open market basis at 31 January 2004. *The freehold property at Sackville Street, London and the long leasehold property including the* investment property at Regent Street, London were revalued by Nelson Bakewell, Chartered Surveyors.

All the remaining freehold properties were revalued by Hillier Parker, Chartered Surveyors.

The excess of the revaluation of freehold and leasehold properties over their original cost is represented by the Revaluation Reserve. *No value has been attributed to any short leasehold properties.*

The total depreciation charge for the year based on the historical cost of properties would have been £2,069,419 (2003: £1,752,460)

at 31 January 2004

14. STOCK

	2004	2003
	£	£
Raw Materials	76,114	160,000
Finished Goods	11,623,236	11,133,200
	11,699,350	11,293,200

15. DEBTORS

Amounts falling due within one year

	2004	2003
	£	£
Trade debtors	1,440,903	1,118,590
Other debtors	209,159	675,262
Group tax relief receivable	477,276	1,057,872
Prepayments	2,249,772	1,647,101
	4,377,110	4,498,825

16. CREDITORS

Amounts falling due within one year

	2004	2003
	£	£
Trade creditors	4,823,900	2,527,130
Amounts due to parent company	33,470,595	24,300,254
Other taxation and social security	978,169	2,418,936
Accruals	2,519,602	1,734,007
	41,792,266	30,980,327

17. SHARE CAPITAL

	Authorised 2004 & 2003	Issued, Called-up & Fully Paid 2004 & 2003
	£	£
15,000 ordinary shares of £1 each	15,000	10,000
35,000 second preference shares of £1 each	35,000	35,000
	50,000	45,000

Preference shares are non-redeemable, non-voting and have a preferential right to return of capital on winding up.

at 31 January 2004

18. PROFIT AND LOSS ACCOUNT

	2004 £	2003 £
At 1 February 2003	2,078,843	2,229,959
Transfer from revaluation reserve	285,003	156,888
Retained loss for the year	(3,736,849)	(308,004)
At 31 January 2004	(1,373,003)	2,078,843

19. REVALUATION RESERVE

	2004 £	2003 £
At 1 February 2003	24,591,804	24,748,692
Transfer to retained profit	(285,003)	(156,888)
Revaluation of properties	(2,558,353)	-
At 31 January 2004	21,748,448	24,591,804

20. MOVEMENT IN SHAREHOLDER'S FUNDS

	2004 £	2003 £
Opening shareholder's funds	28,348,328	28,656,332
Other recognised losses	(2,558,353)	-
Retained loss for the year	(3,736,849)	(308,004)
Closing shareholder's funds	22,053,126	28,348,328

21. FUTURE CAPITAL EXPENDITURE

	2004 £	2003 £
Contracts for capital expenditure for which provision has not been made in the accounts	-	6,452,000

22. CONTINGENT LIABILITY

The company and a fellow subsidiary have guaranteed a loan to its holding company. As at 31 January 2004 the balance on this loan was £13,753,000 (2003 - £15,753,000)

23. PENSION SCHEME

Following the merger of the Austin Reed Pension Fund with the Country Casuals Group Pension Plan, eligible employees are members of the Austin Reed Group Pension Fund. This is a defined benefit scheme with assets held under trust for the benefit of members.The Austin Reed section of the scheme is not contracted out of SERPS. The latest triennial actuarial valuation was conducted by an independent actuary as at 1 April 2001 using the projected unit method. The valuation assumed that investment returns up to retirement would exceed general salary increases by 3.35 %.

The scheme was found to be fully funded with the actuarial value of the assets representing 127 % of the value of the liabilities. At the valuation date the market value of the assets was £54.1m. This surplus has enabled the company to continue with its contribution holiday.

Under the requirements of FRS17, additional disclosure is required. However, as the assets of the Fund cannot be identified between those attributable to Austin Reed and those attributable to other Fund members, this disclosure has not been provided. Additional disclosure for the whole Fund is provided in note 31 to the accounts of Austin Reed Group PLC.

24. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Austin Reed Group PLC, a company registered in England. Under the terms of Financial Reporting Standard No. 8 Austin Reed Limited is exempt from disclosing related party transactions and balances with entities within Austin Reed Group PLC. Copies of the consolidated accounts of Austin Reed Group PLC may be obtained from The Secretary, Station Road, Thirsk, North Yorkshire YO7 1QH.