

DAXON

MOVITEX (U.K.) LIMITED
(Trading as DAXON)

Report and Financial Statements
Year Ended 3rd January 1998

11.05.98



MOVITEX (U.K.) LIMITED

(formerly Empire Shopper Limited)

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

3rd JANUARY 1998

Registered No. 400458

MOVITEX (U.K.) LIMITED

(formerly Empire Shopper Limited)

DIRECTORS' REPORT

The directors present their report together with the balance sheet for the year ended 3rd January 1998.

Principal Activity and commencement of trading

On 1st May 1997 the company name was changed from Empire Shopper Limited to Movitex (U.K.) Limited.

The company commenced trading on 16th June 1997, the principal activity of the Company being catalogue mail order retailing.

Review of Developments and Future Prospects

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

Results and Dividends

The results of the company are set out on page 4. The profit for the year is £87,000. (year ended 28 December 1996 : £Nil). The directors do not recommend a dividend and the profit for the year has been transferred to reserves.

Fixed Assets

Movement in fixed assets are set out in note 5 to the accounts.

Directors

The Directors who served during the year or were appointed/resigned after the year-end are shown below:

J-M. Bernard	(Appointed 30 th July 1997)
R. Bott	(Appointed 29 th January 1997, Resigned 30 th July 1997)
W. J. Campbell	(Resigned 30 th July 1997)
A. Defossez	(Appointed 30 th July 1997)
P. Duquesne	(Appointed 30 th July 1997)
M. L. Hawker	(Appointed 30 th July 1997)
A. R. Hill	(Appointed 30 th July 1997)
R. G. Jones	(Resigned 17 th January 1997)
A. J. Skelsey	(Appointed 29 th January 1997)

The directors and their families have, and had at 29th December 1996 and at 3rd January 1998, no interests in the issued share capital of the company or any group company.

Auditors

A resolution to re-appoint Deloitte & Touche will be proposed at the forthcoming Annual General Meeting.

MOVITEX (UK) LIMITED

(formerly Empire Shopper Limited)

DIRECTORS REPORT

(Continued)

Director's responsibilities for preparing the financial statements

The directors are obliged under company law to prepare financial statements for each financial period and to present them annually to the Company's members in an Annual General Meeting.

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit for that period, and they must comply with applicable accounting standards.

The directors are also responsible for the adoption of suitable accounting policies, their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements, and for preparing the financial statements on a going concern basis, unless it is inappropriate to assume that the company will continue in business.

In addition, the directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Company and to prevent and detect fraud or any other irregularities.

The directors confirm that the above requirements have been complied with in the financial statements.

By order of the Board.



F. W. OAKES,
Secretary.

29th October, 1998

18, Canal Road,
BRADFORD.
BD99 4XB.

REPORT OF THE AUDITORS TO THE MEMBERS OF

MOVITEX (UK) LIMITED

(formerly Empire Shopper Limited)

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors.

As described on page 2 the Company's directors are responsible for the preparation of 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.

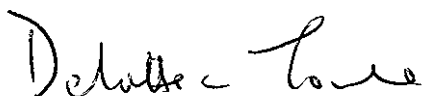
Basis of opinion.

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 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 affairs of the Company as at 3rd January 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants
and Registered Auditors

29th October, 1998.

10-12 East Parade
Leeds
LS1 2AJ

MOVITEX (UK) LIMITED
(Formerly Empire Shopper Limited)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 3rd JANUARY 1998

	Note	Year ended 3 rd January 1998 £'000	Year ended 28 th December 1996 £'000
Turnover (Continuing Operations)	1	8,019	-
Cost of Sales		(3,125)	-
Gross Profit		4,894	-
Net Operating Expenses	1	4,786	-
Operating Profit (Continuing Operations)		108	-
Interest Receivable and similar income	2	20	-
Profit on ordinary activities before taxation	1	128	-
Taxation on profit on ordinary activities	4	(41)	-
Retained Profit for the financial year transferred to reserves	11	87	-
		=====	=====

There are no recognised gains or losses other than as stated in the profit and loss account for the current year and the previous year. Accordingly no statement of total recognised gains and losses is given.

The notes on pages 7 to 12 form part of these accounts.

MOVITEX (UK) LIMITED

(Formerly Empire Shopper Limited)

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 3rd JANUARY 1998

	Year ended 3 rd January 1998 £'000	Year ended 28 th December 1996 £'000
Profit for the financial year	87	-
Opening shareholders' funds	-	-
Closing shareholders' funds	87	-
	=====	=====

The notes on pages 7 to 12 form part of these accounts.

MOVITEX (UK) LIMITED
(Formerly Empire Shopper Limited)

BALANCE SHEET

AS AT 3rd JANUARY 1998

	Note	Year ended 3 rd January 1998 £'000	Year ended 28 th December 1996 £'000
Fixed Assets			
Tangible Assets	5	135	-
		-----	-----
Current Assets			
Stocks	6	343	-
Debtors	7	4,094	-
Cash at bank in hand		22	-
		-----	-----
		4,459	-
Creditors: amounts falling due within one year	8	(4,502)	-
		-----	-----
Net current liabilities		(43)	-
		-----	-----
Total assets less current liabilities		92	-
Provisions for liabilities and charges	9	(5)	-
		-----	-----
Net assets		87	-
		=====	=====
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	86	(1)
		-----	-----
Total Equity Shareholders' Funds		87	-
		=====	=====

Approved by the Board on 29th October, 1998

M. L. Hawker)
)
) Directors
)
A. R. Hill)

ML Hawker

A R Hill

Notes on pages 7 to 12 form part of these accounts.

MOVITEX (UK) LIMITED

(Formerly Empire Shopper Limited)

ACCOUNTING POLICIES

FOR THE YEAR ENDED 3rd JANUARY 1998

The accounts have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

The principal accounting policies of the Company have not changed during the year.

- a. **Depreciation**
Depreciation has been provided on a straight line basis on the original cost as follows:

Plant and equipment between 10% and 25% per annum.
- b. **Deferred Taxation**
Deferred taxation has been provided at current and expected future corporation tax rates on all timing differences between the accounting and taxation treatment of income and expense to the extent that it is considered that these could become payable in the foreseeable future. Unprovided deferred taxation is disclosed as a potential liability.
- 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.
- d. **Catalogue costs**
The costs of catalogue production and printing are charged to the profit and loss account as they are incurred.

MOVITEX (U.K.) LIMITED

(Formerly Empire Shopper Limited)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 3rd JANUARY 1998

	Year ended 3 rd January 1998 £'000	Year ended 28 th December 1996 £'000
1. Turnover and profit on ordinary activities before taxation		
The turnover (all of which arises in the United Kingdom) and profit on ordinary activities before taxation are attributable to catalogue mail order retailing.		
Net operating expenses:		
Distribution costs	865	-
Administration expenses	3,921	-
	-----	-----
	4,786	-
	=====	-----
The profit on ordinary activities before taxation is stated after charging:		
Depreciation	2	-
Auditors' remuneration - audit	5	-
- other services	5	-
	=====	=====
2. Interest receivable and similar income		
Group companies	13	-
Other interest receivable	7	-
	-----	-----
	20	-
	=====	=====
3. Employment Costs		
The company has no employees. The activities of the company are undertaken by staff employed by Empire Stores Limited. None of the directors received any remuneration from the company during the year or the previous year.		

MOVITEX (UK) LIMITED
(Formerly Empire Shopper Limited)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 3rd JANUARY 1998

(Continued)

	Year ended 3 rd January 1998 £'000	Year ended 28 th December 1996 £'000
4. Taxation		
U.K. Corporation tax at 31%	36	-
Deferred tax	5	-
	-----	-----
	41	-
	=====	=====
5. Tangible fixed assets		
	Plant and Equip- ment £'000	
Cost		
At 29 th December 1996	-	
Additions	137	

At 3 rd January 1998	137	

Accumulated depreciation		
At 29 th December 1996	-	
Provided during year	2	

At 3 rd January 1998	2	

Net book amount at 3 rd January 1998	135	
	=====	
Net book amount at 28 th December 1996	-	
	=====	

The only tangible fixed assets that the company holds fall into the Plant and Equipment category.

MOVITEX (UK) LIMITED
(Formerly Empire Shopper Limited)
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 3rd JANUARY 1998
(Continued)

6. **Stocks**

Stocks comprise goods for resale. There was no significant difference between the replacement cost of stock and the value shown in the balance sheet.

	3 rd January 1998 £'000	28 th December 1996 £'000
--	--	--

7. **Debtors**

Prepayments and accrued income	42	-
Amounts due from fellow subsidiary companies	4,052	-
	-----	-----
	4,094	-
	=====	=====

During the year the trade debtors of the company were factored to Empire Finance Limited, a wholly owned subsidiary of Empire Stores Group plc.

8. **Creditors: amounts falling due within one year**

Bank loans and overdrafts	5	-
Trade creditors	560	-
Amounts due to parent company and fellow subsidiaries	1,385	-
Accruals and deferred income	686	-
Other creditors	970	-
Other taxation and social security	860	-
Corporation tax	36	-
	-----	-----
	4,502	-
	=====	=====

MOVITEX (UK) LIMITED
(Formerly Empire Shopper Limited)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 3rd JANUARY 1998
(Continued)

9. Provisions for liabilities and charges

Deferred Taxation :

	£'000
At 28th December 1996	-
Provided in the year	5
At 3rd January 1998	5
	===

The provision for deferred tax represents capital allowances in excess of depreciation.

There are no unprovided deferred taxation liabilities.

	3 rd January 1998 £	28 th December 1996 £
10. Share Capital		
Ordinary shares of £1 each Issued and fully paid	600 ===	600 ===
2,000 Authorised shares of £1 each	2,000	2,000
294 Shares owned by Movitex (France)	=====	=====

11. Profit and Loss Account

	£'000
At 28 th December 1996	(1)
Profit for the year	87
At 3 rd January 1998	86
	=====

MOVITEX (UK) LIMITED
(Formerly Empire Shopper Limited)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 3rd JANUARY 1998
(Continued)

12. Capital commitments

	3 rd January 1998 £'000	28 th December 1996 £'000
Contracted for but not provided in the financial statements	17	-
	=====	=====

13. Contingent liabilities

The company is jointly and severally liable for the bank borrowings of its parent company and fellow subsidiaries totalling £97,200,000 (28th December 1996 £Nil)

14. 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 indirectly a wholly owned subsidiary of La Redoute S.A. and its cash flows are dealt with in the consolidated cash flow statement of that company.

15. Related party transactions

The company has taken advantage of the exemption contained in FRS8 not to disclose related party transactions with other group companies as it is indirectly a wholly owned subsidiary of La Redoute S.A.

16. Ultimate parent company

The company's immediate parent company is Empire Stores Group plc, which is registered in England and Wales.

The Company is indirectly a wholly owned subsidiary of La Redoute S.A., which is incorporated in France.

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

Copies of the group accounts of Empire Stores Group plc can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

Copies of the group accounts of Pinault Printemps-Redoute S.A. are available from the Company Secretary, Empire Stores Group plc, 18 Canal Road, Bradford, West Yorkshire, BD99 4XB.