

MOVITEX (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th DECEMBER 2000

Registered No. 400458



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MOVITEX (UK) LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30th December 2000.

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 remain optimistic about its future prospects.

Results and Dividends

The results of the company are set out on page 4. The retained loss for the year is £502,000 (year ended 1st January 2000 : profit £80,000). The directors recommend a dividend for the year of £3,059,000 (year ended 1st January 2000 : £593,000) and the retained loss for the year has been transferred from reserves (year ending 1st of January 2000 profit of £80,000 transferred to reserves).

Creditors Payment Policy

The company pays its creditors in accordance with the payment terms agreed with its suppliers. As at 30th December 2000 creditor days were 27 days (1st January 2000 : 33 days).

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.

Directors

The Directors who served during the year are shown below:

J-M. Bernard	
J-P. Glarmet	
M. Green	(appointed 3 rd April 2000)
M. L. Hawker	(resigned 31 st March 2000)
A. R. Hill	
J-L. Jonville	(resigned 31 st March 2000)
A. J. Skelsey	(resigned 31 st March 2000)

The directors and their families have at 30th December 2000 and had at 1st January 2000 no interests in the issued share capital of the company or any UK group company.

MOVITEX (UK) LIMITED

DIRECTORS' REPORT

(Continued)

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.

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 period. 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 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.

26th May 2001.

18, Canal Road,
Bradford.
BD99 4XB.

REPORT OF THE AUDITORS TO THE MEMBERS OF

MOVITEX (UK) LIMITED

We have audited the financial statements on pages 4 to 13 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 which are required to be prepared in accordance with applicable United Kingdom law and Accounting Standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

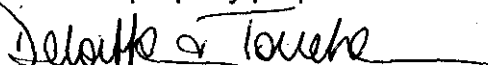
Basis of opinion.

We conducted our audit in accordance with 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.

Opinion.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 30th December 2000 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

24 MAY 2001.

10-12 East Parade
Leeds
LS1 2AJ

MOVITEX (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th DECEMBER 2000

	Notes	Year ended 30 th December 2000 £'000	Year ended 1 st January 2000 £'000
Turnover - Continuing Operations	1	33,594	26,947
Cost of Sales		(11,678)	(10,191)
Gross Profit		21,916	16,756
Net Operating Expenses	1	(18,619)	(16,040)
Operating Profit - Continuing Operations	1	3,297	716
Interest receivable and similar income	2	523	288
Interest payable and similar charges	3	(51)	(37)
Profit on ordinary activities before taxation	1	3,769	967
Tax on profit on ordinary activities	5	(1,212)	(294)
Profit on ordinary activities after taxation		2,557	673
Dividends	6	(3,059)	(593)
Retained (loss) / profit for the financial year transferred (from) / to reserves	12	(502)	80
		====	===

There are no recognised gains and 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 13 form part of these accounts.

MOVITEX (UK) LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 30th DECEMBER 2000

	Year ended 30 th December 2000 ----- £'000	Year ended 1 st January 2000 ----- £'000
Profit for the year	2,557	673
Dividends	(3,059) -----	(593) -----
Net reductions in / additions to Shareholders' funds	(502)	80
Opening Shareholders' funds	503 -----	423 -----
Closing Shareholders' funds	1 =====	503 ===

The notes on pages 7 to 13 form part of these accounts.

MOVITEX (UK) LIMITED

BALANCE SHEET

AS AT 30th DECEMBER 2000

	Note	30 th December 2000 £'000	1 st January 2000 £'000
Current Assets			
Stocks	7	516	333
Debtors	8	8,736	5,626
Cash at bank and in hand		7,458	318
		<u>16,710</u>	<u>6,277</u>
Creditors: amounts falling due within one year	9	<u>(16,709)</u>	<u>(5,774)</u>
Net current assets		<u>1</u>	<u>503</u>
Capital and reserves		<u>==</u>	<u>===</u>
Called up share capital	11	1	1
Profit and loss account	12	-	502
Total Equity Shareholders' Funds		<u>1</u>	<u>503</u>
		<u>==</u>	<u>===</u>

Approved by the Board on 24th May 2001.

A. R. HILL



Director

Notes on pages 7 to 13 form part of these accounts.

MOVITEX (UK) LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30th DECEMBER 2000

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.

a. **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.

b. **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.

c. **Catalogue costs**

The costs of catalogue production and printing are charged to the profit and loss account as they are incurred.

d. **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.

MOVITEX (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30th DECEMBER 2000

	Year ended 30 th December 2000 ----- £'000	Year ended 1st January 2000 ----- £'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	3,061	2,306
Administration expenses	15,558	13,734
	-----	-----
	18,619	16,040
	=====	=====
Operating profit is stated after charging:		
Auditors' remuneration - audit	7	7
	=====	=====
2. Interest receivable and similar income		
Amounts due from group companies	519	288
Other interest receivable	4	-
	-----	-----
	523	288
	===	===

MOVITEX (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30th DECEMBER 2000

(Continued)

	Year ended 30 th December 2000	Year ended 1st January 2000
	£'000	£'000
3. Interest payable and similar charges		
Amounts due to group companies	51	37
	==	==

4. Staff 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 current or preceding financial year.

	Year ended 30 th December 2000	Year ended 1 st January 2000
	£'000	£'000
5. Tax on profit on ordinary activities		
U.K. Corporation tax at 30% (year ended 1 st January 2000 : 30.25%)	1,212	302
Deferred tax	-	(8)
	1,212	294
	=====	=====

The tax charge is higher than anticipated due to the non-provision of a deferred tax asset.

6. Dividends

A dividend of £3,059,000 (£5,098 per share) has been proposed for the year (year ended 1st January 2000 : £593,000 (£988 per share)).

MOVITEX (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30th DECEMBER 2000

(Continued)

7. Stocks

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

8. Debtors

	30 th December 2000 ----- £'000	1 st January 2000 ----- £'000
Trade debtors	8,707	-
Amounts due from fellow subsidiaries	-	5,620
Prepayments and accrued income	29	6
	----- 8,736 =====	----- 5,626 =====

MOVITEX (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 1st JANUARY 2000

(Continued)

	30 th December 2000	1 st January 2000
	£'000	£'000
9. Creditors: amounts falling due within one year		
Bank loans and overdrafts	-	77
Trade creditors	583	733
Amounts due to parent company and fellow subsidiaries	9,393	1,133
Other taxation and social security	1,129	982
Corporation tax	897	234
Other creditors	500	357
Accruals and deferred income	1,148	1,665
Dividends proposed	3,059	593
	<u>16,709</u>	<u>5,774</u>
	=====	=====

10. **Provisions for liabilities and charges**

Deferred Taxation :

The amounts of deferred tax unprovided in the financial statements are :

	30 th December 2000	1 st January 2000
	£'000	£'000
Capital allowances in excess of depreciation	(1)	-
Other timing differences	(81)	-
	<u>(82)</u>	<u>-</u>
	-----	-----

MOVITEX (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30th DECEMBER 2000

(Continued)

	30 th December 2000	1 st January 2000
11. Called up Share Capital		
2,000 authorised shares of £1 each	2,000 =====	2,000 =====
600 ordinary shares of £1 each called up, allotted and fully paid	600 ===	600 ===
12. Profit and Loss Account		£'000
At 2 nd January 2000		502
Loss for the year		(502)
At 30 th December 2000		- =====
13. Contingent liabilities		
The company is jointly and severally liable for the bank borrowings of its parent company and fellow subsidiaries totalling £63,600,000 (1 st January 2000 : £120,000,000).		
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 Pinault Printemps-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 FRS 8 not to disclose related party transactions with other group companies as it is indirectly a wholly owned subsidiary of Pinault Printemps-Redoute S.A.		

MOVITEX (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 1st JANUARY 2000

(Continued)

16. Ultimate parent company

The company's immediate parent company is REDCATS (UK) plc (formerly Empire Stores Group 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 accounts of Pinault Printemps-Redoute S.A. are available from the Company Secretary, REDCATS (UK) plc, 18 Canal Road, Bradford, West Yorkshire, BD99 4XB.