ASR Holdings plc

Report and Accounts

1 April 2000

Registered Number 433428

Registered No. 433428

DIRECTORS

A F Jones	(appointed 22 November 2000)
W K Begley	(resigned 19 May 1999)
E E Gilburd	(resigned 7 March 2000)
M Healy	(resigned 12 July 1999, reappointed 15 March 2000, resigned 20 October 2000)
M J V Bishop	(resigned 31 May 2000)
G W Chittick	(appointed 19 May 1999, resigned 31 March 2000)
Minit plc	(appointed 11th January 2001)

SECRETARY

L R Wells	(resigned 23 July 1999)
M Healy	(resigned 12 July 1999)
M J V Bishop	(resigned 31 May 2000)
A Johal	(appointed 12 June 2000)

AUDITORS

Ernst & Young
Becket House
1 Lambert Palace Road
London SE1 7EU

BANKERS

National Westminster Bank plc
P O Box 120
42 High Street
Sheffield S1 1QG

REGISTERED OFFICE

5 Oldfield Road
Maidenhead
Berkshire
SL6 1TH

DIRECTORS' REPORT
for the 53 weeks ended 1 April 2000

The directors present their report and the accounts for the 53 weeks ended 1 April 2000.

PRINCIPAL ACTIVITY
The principal activity of the company is to act as an intermediate holding company.

RESULTS AND DIVIDENDS
The company has not traded during the period.

The directors do not recommend a payment of a final dividend. Holders of the 3.5% and 9% cumulative preference shares have waived their dividend rights for the period ended 1 April 2000.

DIRECTORS AND THEIR INTERESTS
The directors at 1 April 2000 and the changes during the period are shown on page 2.

No Director has a interest in shares of the company, or in the shares or loan stock of any subsidiary.

REVIEW OF THE BUSINESS

The company's largest subsidiary is Minit UK plc that has had a less than satisfactory year with an overall decrease in sales which was larger than anticipated. However, the Minit brand name continues to dominate in the UK shoe repairing market and allows management an excellent platform from which to develop growth in sales and revenue.

During the year Minit UK Plc acquired all of the issued share capital of In-time Watch Services Ltd, a company involved in the repair and sale of watches. This has provided additional variety to the quality services that Minit can offer.

The directors decided that Minit UK Plc should withdraw partially from the retail travel goods business, an activity that was not completely complementary with the range of services that Minit UK plc provide. To this end the directors were successful in completing a sale of most of the subsidiary shops known as Gullivers Ltd on 28 April 1999. The loss on disposal of the shops amounted to £1,153,452 with proceeds being £6,132,983. Minit UK Plc now takes advantage of outsourced supply and distribution of retail travel goods.

GOING CONCERN

ASR Holdings plc is dependent on the continued financial support of it's parent company Minit plc. Whilst the Directors of Minit plc cannot be certain as to the success of the negotiations with it's bankers, as long as Minit plc continues to generate sufficient positive cash flow from its operational activities to finance its current capital expenditure programme and other commitments, and is supported by the Shareholders and the banks, the Directors have a reasonable expectation that ASR Holdings plc has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

With the acquisition of In-time Watch Services Ltd, the directors are confident that the company is able to focus more substantially on offering an extended range of high quality services to its customers.

AUDITORS
A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

DIRECTORS' REPORT
for the 53 weeks ended 1 April 2000

By order of the Board

Adrian Jones

Director

January 16, 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, 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, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the accounts.
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 accounts 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

REPORT OF THE AUDITORS
to the members of ASR Holdings plc

We have audited the accounts on pages 7 to 10, which have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and on the basis of the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our professions ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Going Concern

As disclosed in note 1 to the accounts the company is dependent upon the continued financial support of its parent company, Minit plc. In forming our opinion we have considered the adequacy of the disclosures concerning Minit plc's breach of certain bank covenants and the possible outcome of negotiations for continuing finance being made available to it. The accounts have been prepared on the going concern basis, the validity of which depends upon future funding being made available to the company by its parent, which in turn depends upon future funding available to Minit plc. The accounts do not include any adjustments which would result from a failure to secure continuing funding. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 1 April 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Registered Auditor
London

16 January 2001.

PROFIT AND LOSS ACCOUNT
for the 53 weeks ended 1 April 2000

	Notes	*53 weeks to 1 April 2000 £000*	*52 weeks to 27 March 1999 £000*
Other expenses		(1,148)	-
OPERATING LOSS	3	**(1,148)**	-
Exceptional Item	4	(8,004)	-
LOSS FOR THE PERIOD		(9,152)	-
Preference Dividends		(59)	
LOSS RETAINED FOR THE PERIOD		(9,211)	-
Retained profit at beginning of period		2	-
Retained profit/ (loss) at end of period		(9,209)	-

There were no recognised gains or losses in 2000 and 1999 other than the retained loss for the period.

BALANCE SHEET
at 1 April 2000

	Note	*1 April 2000 £000*	*27 March 1999 £000*
FIXED ASSETS			
Investments	5	-	14,921
CURRENT ASSETS			
Debtors	6		1,148
CREDITORS: amounts falling due within one year	7	(59)	-
NET ASSETS		(59)	16,069
CAPITAL AND RESERVES			
Called-up share capital	8	9,150	9,150
Revaluation reserve	9	-	6,917
Profit and loss account		(9,209)	2
SHAREHOLDERS' FUNDS	10	(59)	16,069
Equity interests		(809)	15,319
Non-equity interests		750	750
TOTAL CAPITAL AND RESERVES		(59)	16,069

Director

January 16, 2001

NOTES TO THE ACCOUNTS
at 1 April 2000

1. FUTURE FINANCING AND FUNDAMENTAL ACCOUNTING CONCEPT

The company is dependent upon the continued financial support of its parent company, Minit Plc. Minit Plc is currently in breach of certain bank covenants in respect of financial ratios required arising from its trading performance in the year ended 1 April 2000 and its negative consolidated shareholders' funds at 1 April 2000 amounting to 86.1 million Euros. Consequently, Minit Plc's present bank and loan facilities are technically all repayable on demand. Continuation of this financing is dependent upon negotiations currently taking place between Minit Plc and its bankers. Some banks have indicated that they will not be supporting Minit Plc through the next 12 months. Letters of support have been provided by Minit plc's parent company, UBS Capital BV, to current bankers, undertaking to maintain Minit plc in a sound financial position and enabling it to meet all its obligations. Continuing finance is required both for Minit plc to fulfil its business plans, to meet its liabilities as they fall due and to provide support to its subsidiaries including ASR Holdings plc.

On the basis of projected cash flow information, the Directors of Minit Plc consider that Minit plc should be able to operate within the schedule of facilities, and with its Shareholders' support, until 31 March 2001, and thereafter. If the negotiations referred to above were not successful and Minit plc did not receive sufficient continuing financing to support ASR Holdings plc, the Directors of ASR Holdings plc would need to consider alternative strategies to enable the company to continue trading. However, the Directors believe that it is appropriate for the financial statements to be prepared on the going concern basis.

Were the going concern basis to prove inappropriate, a number of adjustments to the financial statements would be required. Such adjustments would include writing down assets to their net realisable value and providing for any additional liabilities that may arise.

2. ACCOUNTING POLICIES

Basis of accounting
The accounts are prepared under the historical cost convention modified to include the revaluation of fixed asset investments in group undertakings. The accounts have been prepared in accordance with applicable accounting standards.

Group accounts have not been presented as permitted by section 228 of the Companies Act 1985.

Consolidated accounts and a cash flow statement have not been prepared as the company is a wholly-owned subsidiary undertaking of Minit plc, a company registered in England and Wales. Minit plc publishes consolidated accounts into which the results of ASR Holdings plc and its subsidiaries are consolidated.

Fixed asset investments
Fixed asset investments in group undertakings were revalued at 31 March 1985, and were stated in 1999 at cost less goodwill, plus the company's share of post-acquisition retained profit of its subsidiary undertakings at that date, with a corresponding credit to the revaluation reserve.

NOTES TO THE ACCOUNTS
at 1 April 2000

3. OPERATING LOSS

	2000 *£000*	*1999* *£000*
Waiver of inter-company balances	1,148	-

4. EXCEPTIONAL ITEMS

	2000 *£000*	*1999* *£000*
Investments written off to profit and loss account	14,921	-
Revaluation Reserve written off	(6,917)	-
	8,004	-

The investment has been written off as the net assets of the largest subsidiary total negative £483,000.

5. FIXED ASSETS INVESTMENTS

Fixed asset investments comprise:

	2000 *£000*	*1999* *£000*
Cost	-	8,004
Revaluation	-	6,917
	-	14,921

A statement of shareholdings in subsidiary undertakings, all of which are incorporated and registered in England and Wales is set out below.

	Principal activities	*Class of shares held*	*Shares held by the company*
Minit UK plc	Shoe repairing, key duplication and retailing travel goods	Ordinary	100%

Investments, which are not significant, are not included since their inclusion would result in a statement of excessive length. Details of those undertakings principally affecting the results or assets of the parent company, Minit plc, have been disclosed.

Minit Uk Plc's aggregate amount of capital and reserves at the end of the current financial year is a negative £1,414,000, with a loss of £16,686,000 for the financial period.

NOTES TO THE ACCOUNTS
at 1 April 2000

6. DEBTORS

	2000 £000	1999 £000
Due from group undertakings	-	1,148

7. CREDITORS

	2000 £000	1999 £000
Cumulative Preference Dividends payable	59	-

8. CALLED UP SHARE CAPITAL

	2000 £000	1999 £000
Authorised, allotted and fully paid:		
150,000 3.5% cumulative preference shares of £1 each	150	150
600,000 9% cumulative preference shares of £1 each	600	600
33,600,000 ordinary shares of 25p each	8,400	8,400
	9,150	9,150

The non-equity interest in the company is represented by the 3.5% and 9% cumulative preference shareholders. The rights attaching to these shares are described below.

Rights of shares to dividends
The 3.5% and 9% cumulative preference shares confer the right to a fixed cumulative preferential dividend at the rate of 3.5% and 9% respectively. The 9% preferential dividend is subject to the prior rights of the 3.5% cumulative preference shares, but has priority to any payment of dividend to the ordinary shareholders.

Rights of shares on a return of assets
In the event of a winding-up the 3.5% preference shareholders are entitled to receive payment of capital and all arrears of fixed dividend accrued up to the date of commencement of the winding-up. The 9% preference shareholders are entitled to repayment of the capital paid up, a premium of 5 pence per share (including any related tax credit) and any arrears or accruals of the preference dividends. The 3.5% preference shareholders have priority to all other shareholders, whilst the 9% shareholder's rights are subject to the prior rights of the 3.5% preference shareholders but in priority to any payment to ordinary shareholders.

Share voting rights
The 9% preference shareholders are entitled to one vote at a general meeting for every £1 in value in the following circumstances only; if at the date of the notice convening the meeting the preference dividend is in arrears for six months or more; or if there is a resolution regarding winding up the company, reduction of the company's share capital, the sale of whole or a major part of the company, an alteration to the Article of Association relating to the borrowing powers of the directors, or a variation of the special rights or privileges attached to the 9% preference shares.

The 3.5% preference shareholders do not have any voting rights.

9. REVALUATION RESERVE

In 1999 the revaluation reserve was the surplus brought forward from the revaluation of fixed assets investments in group undertakings on 31 March 1985. This has been written off this year to the profit and loss account as the net assets of the UK subsidiaries total negative £1,414,000.

10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital	*Revaluation reserve*	*Profit and loss account*	*Total shareholders' funds 2000*	*Total shareholders' funds 1999*
	£000	*£000*	*£000*	*£000*	*£000*
At 27 March 1999	9,150	6,917	2	16,069	16,069
Loss for the period	-	-	(9,211)	(9,211)	-
Revaluation reserve written off		(6,917)		(6,917)	-
At 1 April 2000	9,150	-	(9,209)	(59)	16,069

The owners of the 3.5% and 9% cumulative preference shares waived their rights to dividends for the period ended 1 April 2000.

11. CONTINGENT LIABILITIES

Under cash pooling arrangements the company together with certain other UK undertakings, has given unlimited cross guarantees in respect of group bank borrowing facilities of up to a maximum of £17,000,000. The total funds drawn down at the year-end amounted to £13,300,000.

12. RELATED PARTY TRANSACTIONS

At 1 April 2000 the ultimate controlling party was UBS AG, a company incorporated in Switzerland.

The company has taken advantage of the exemptions permitted within FRS 8 not to disclose transactions with other members of the UBS AG group or investees of the group.

13. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Minit plc, which is incorporated and registered in England and Wales. The ultimate parent company is UBS AG, incorporated in Switzerland.

The consolidated accounts of Minit plc, the parent of both the smallest and largest group, of which ASR Holdings plc is a member, are available to the public and may be obtained from la Tectonic Place, Holyport Road, Maidenhead, Berkshire, SL6 2EZ.