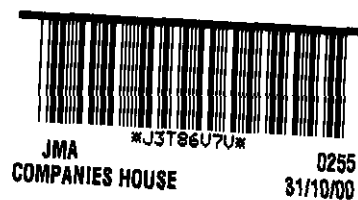


Claremont Garments (South) Limited

Report and Accounts

31 December 1999



Registered number 470815

Claremont Garments (South) Limited
Company Information

Directors

C T Cattermole

M A Clarke (appointed 23 February 2000; resigned 17 April 2000)

S M Dring (resigned 23 June 1999)

S K Kelly (appointed 23 June 1999; resigned 23 February 2000)

M Pitsillos (appointed 7 June 1999)

Secretary and Registered Office

C T Cattermole

13/14 Margaret Street

London

W1A 3DA

Auditors

PricewaterhouseCoopers

Victoria House

76 Milton Street

Nottingham

NG1 3QY

Claremont Garments (South) Limited

Directors' Report

The directors present their report and audited accounts for the year ended 31 December 1999.

Principal activities and review of the business

With effect from 1 January 1999, the company's trade and assets were transferred into Courtaulds Textiles (Holdings) Limited, a fellow subsidiary undertaking of Courtaulds Textiles plc, the ultimate parent.

Results and dividends

During the year the company has not traded and has not incurred any liabilities. Consequently, it made neither a profit nor a loss (1998: loss of £1,453,000 transferred from reserves). The directors do not recommend the payment of a dividend (1998: £nil).

Directors

The directors who served during the year are noted on page 1.

As at the balance sheet date, no director held any beneficial interest in the company. The interests of the directors in office at the balance sheet date and their families in the share capital of the ultimate holding company, Courtaulds Textiles plc were as follows:

Courtaulds Textiles plc 25 pence ordinary shares	1999		1998	
	Shareholding	Executive Options	Shareholding	Executive Options
C T Cattermole	1,377	47,500	1,200	32,500
M Pitsillos	-	7,500	-	-

Options have been granted under the Courtaulds Textiles Executive Share Options Scheme II (at subscription prices of 333p, 336p, 182p and 141p). At the date of his appointment, M Pitsillos held no beneficial interests. No options were exercised during the period and no change has occurred in these interests before 20 October 2000.

This report was approved by the board on 20 October 2000.



C T Cattermole
Director and Secretary

Claremont Garments (South) Limited
Directors' Report

The directors are required by the Companies Act 1985 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 result for the financial year. Following discussions with the auditors, the directors consider that in preparing the accounts on pages 5 to 11, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. They have a 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.

Going Concern

The directors are required to prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

Claremont Garments (South) Limited
Auditors' Report

Report of the auditors to the shareholders of Claremont Garments (South) Limited

We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

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

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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 required 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 accounts.

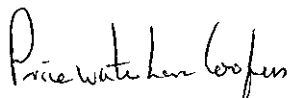
Basis of opinion

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.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

Nottingham
20 October 2000

Claremont Garments (South) Limited
Profit and Loss Account
for the year ended 31 December 1999

	Notes	1999 £000	1998 £000
Turnover		-	8,904
Cost of sales		-	(8,262)
Gross profit		<u>-</u>	<u>642</u>
Distribution costs		-	(156)
Administrative expenses		-	(777)
Operating loss	2	<u>-</u>	<u>(291)</u>
Exceptional items	3	-	(1,162)
Retained loss for the financial year		<u>-</u>	<u>(1,453)</u>

Continuing operations

All of the above results have arisen from discontinued operations.

Statement of total recognised gains and losses

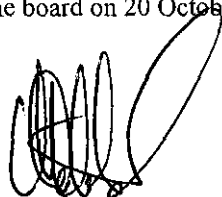
The company has no recognised gains or losses other than the loss for the prior financial year.

Claremont Garments (South) Limited
Balance Sheet
As at 31 December 1999

	Notes	1999 £000	1998 £000
Fixed assets			
Tangible assets	5	-	291
Current assets			
Stocks	6	-	1,258
Debtors	7	500	1,021
Cash at bank and in hand		-	1
		<u>500</u>	<u>2,280</u>
Creditors: amounts falling due within one year	8	(1,535)	(2,554)
Net current liabilities		<u>(1,035)</u>	<u>(274)</u>
Total assets less current liabilities		<u>(1,035)</u>	<u>17</u>
Provisions for liabilities and charges	9	-	(1,052)
		<u>(1,035)</u>	<u>(1,035)</u>
Capital and reserves - equity			
Called up share capital	10	585	585
Profit and loss account		(1,620)	(1,620)
Shareholders' funds		<u>(1,035)</u>	<u>(1,035)</u>

Approved by the board on 20 October 2000.

M Pitsillos
 Director



Claremont Garments (South) Limited
Notes to the Accounts
for the year ended 31 December 1999

1 Accounting policies

Basis of preparation

The directors of the parent company, Claremont Garments (Holdings) plc have confirmed their intention to provide continuing support to the operations of this company for the foreseeable future. As a result, these accounts have been prepared on a going concern basis.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Tangible assets and depreciation

Tangible assets are stated at cost to the company. Depreciation is calculated on a straight line basis so as to write off the cost of the various assets over the period of their expected useful lives. The rates of depreciation vary between 1% and 6% on buildings and between 10% and 20% on plant and equipment. Capital grants are treated as deferred income and are transferred to the profit and loss account over the expected useful lives of the relevant assets.

Stock valuation

Stocks are valued at the lower of cost and net realisable value. Cost includes factory overheads.

Deferred taxation

Deferred taxation is provided only in respect of timing differences between profits as computed for taxation purposes and profits as stated in the accounts to the extent that there is a reasonable probability that deferred taxation will crystallise in the foreseeable future.

Foreign currencies

All assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date or at forward contracted rates where applicable. Exchange gains and losses are dealt with in the profit and loss account.

Leasing

Assets acquired under finance leases have been recorded in the balance sheet as tangible fixed assets at their equivalent capital value and are depreciated over the expected useful life of the asset. The corresponding liability has been recorded as a loan creditor and the interest element of the lease payments is charged to the profit and loss account over the period of the lease. Operating lease rentals are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Turnover

Turnover represents sales to customers at invoiced amounts less value added tax.

Claremont Garments (South) Limited
Notes to the Accounts
for the year ended 31 December 1999

2 Operating loss	1999	1998
	£000	£000

These figures are stated after charging:

Depreciation of owned fixed assets	-	100
Operating lease rentals - land and buildings	-	134
Auditors' remuneration - audit fees	-	6
	<hr/>	<hr/>

3 Exceptional items	1999	1998
	£000	£000

Write down of fixed assets	-	89
Reorganisation and closure costs	-	1,073
	<hr/>	<hr/>
	-	1,162

The exceptional fixed asset write downs reflect the results of a fixed asset verification exercise performed in 1998. The reorganisation and closure costs represented the costs associated with the closure of two factories in October 1998.

4 Staff costs	1999	1998
	£000	£000

Wages and salaries	-	2,472
Social security costs	-	175
Other pension costs	-	4
	<hr/>	<hr/>
	-	2,651

	Number	Number
Average number of employees during the year	<hr/>	<hr/>
	-	299

Claremont Garments (South) Limited
Notes to the Accounts
for the year ended 31 December 1999

5 Tangible fixed assets

	Plant and machinery £000
Cost	
At 1 January 1999	977
Disposals	(977)
At 31 December 1999	-
Depreciation	
At 1 January 1999	686
Disposals	(686)
At 31 December 1999	-
Net book value	
At 31 December 1999	-
At 31 December 1998	291

6 Stocks

	1999 £000	1998 £000
Raw materials and consumables	-	381
Work in progress	-	199
Finished goods and goods for resale	-	678
	-	1,258

7 Debtors

	1999 £000	1998 £000
Trade debtors	-	401
Amounts owed by group undertakings	500	592
Other debtors	-	28
	500	1,021

Claremont Garments (South) Limited
Notes to the Accounts
for the year ended 31 December 1999

8 Creditors: amounts falling due within one year

	1999	1998
	£000	£000
Trade creditors	-	743
Amounts owed to group undertakings	1,535	1,085
Other taxes and social security costs	-	522
Other creditors	-	204
	<u>1,535</u>	<u>2,554</u>

9 Provisions for liabilities and charges

	Restructuring Provision £000
At 1 January 1998	1,052
Group transfer	<u>(1,052)</u>
At 31 December 1999	<u>-</u>

No potential deferred taxation liability arising from an excess of capital allowances claimed over depreciation charged has been included in these accounts due to the availability of tax losses brought forward.

10 Share capital

	1999	1998
	£000	£000
Authorised		
1,625,500 ordinary shares of 1p each	16	16
583,745 deferred shares of £1 each	<u>584</u>	<u>584</u>
	<u>600</u>	<u>600</u>
	1999	1998
	£000	£000
Called up and fully paid		
83,745 ordinary shares of 1p each	1	1
583,745 deferred shares of £1 each	<u>584</u>	<u>584</u>
	<u>585</u>	<u>585</u>

Claremont Garments (South) Limited
Notes to the Accounts
for the year ended 31 December 1999

11 Pension commitments

The company participates in a defined contribution pension scheme. As of 1 January 1999 the scheme was merged with the Courtaulds Textiles UK Pension Scheme, details of which are contained within the Courtaulds Textiles plc group accounts for the year ended 31 December 1999. At 31 December 1999 and 1998, no contributions were outstanding or paid in advance to the scheme.

12 Other financial commitments

At the period end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	1999	1998
	£000	£000
Operating leases which expire in over five years	-	134

13 Cashflow statement

As the company is a wholly owned subsidiary of Courtaulds Textiles plc, a company registered in England and Wales, which prepares a consolidated cashflow statement, the company has taken advantage of the exemption provided under FRS 1 (Revised 1996) not to prepare a cashflow statement.

14 Ultimate parent undertaking

Claremont Garments (South) Limited is wholly owned by Actonbarn Limited, which in turn is a subsidiary undertaking of Courtaulds Textiles plc, registered in England and Wales. At the balance sheet date Courtaulds Textiles plc was the ultimate controlling party. As of 9 May 2000, the ultimate controlling party became Sara Lee Corporation, incorporated in the United States of America.

The company has taken advantage of the exemption conferred by FRS 8 Related Party Disclosures not to disclose transactions with fellow group undertakings, 90% or more of whose voting rights are controlled by the group.

The largest and the smallest group in which the results of the company are consolidated as at the balance sheet date is that headed by Courtaulds Textiles plc, a company registered in England and Wales. Copies of the Courtaulds Textiles plc group accounts can be obtained from:

13/14 Margaret Street
London
W1A 3DA