

FREEMANS INTERNATIONAL LIMITED

(Registered Number 894694)

REPORT AND FINANCIAL STATEMENT FOR THE

53 WEEKS ENDED 3 MARCH 2001



Freemans International Limited
(Registered Number 894694)

Report of the Directors

for the 53 weeks ended 3 March 2001

The directors submit their report and financial statement for the 53 weeks ended 3 March 2001.

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|----------------------------|--------------|-----------------------------|
| 1. <i>Directors</i> | I Andrew | (Appointed 7 February 2001) |
| | J J Pearmund | (Resigned 1 May 2001) |
| | I C Percival | (Resigned 5 May 2001) |
| | C West | (Appointed 7 February 2001) |
| <i>Secretary</i> | I Andrew | (Appointed 7 February 2001) |
| | S T Weeks | (Resigned 17 May 2001) |

2. ***Directors' interests***

The directors of the Company are shown above. During the period, liability insurance was maintained for the Company's directors and officers. No director has held any interest in any Group Company during the period.

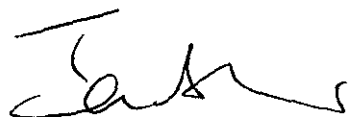
3. ***Principal activities***

The Company has not carried on any trading since 8 January 1991 and consequently during the period the Company made neither a profit nor a loss. Therefore, a profit and loss account has not been presented.

4. ***Auditors***

KPMG 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.

15 June 2001


by order of the board
I Andrew, Secretary

Directors' Responsibility Statement

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the financial period.

The directors consider that in preparing the financial statements on page 4, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements 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 financial statements comply with the Companies Act 1985.

The directors have 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.

The directors are required to prepare financial statements on a going concern basis unless it is not appropriate to assume that the Company will continue in business.

Auditors' Report to the members of Freemans International Limited

We have audited the financial statements on page 4.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. 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 accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 the Company's affairs as at 3 March 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Handwritten signature

KPMG
Chartered Accountants
Registered Auditors

15 June 2001
1 The Embankment
Neville Street
Leeds
LS1 4DW

Freemans International Limited

Balance sheet

3 March 2001

	3.3.2001 £	26.2.2000 £
Creditors: amounts falling due within one year		
Current account with parent company	(39)	(39)
Net liabilities	<u>(39)</u>	<u>(39)</u>
Capital and reserves		
Called up share capital	100	100
Profit and loss account	(139)	(139)
	<u>(39)</u>	<u>(39)</u>



C West, Director

Notes to the financial statement

1. The financial statement is prepared in accordance with applicable accounting standards under the historical cost convention.

The Company has net current liabilities and a deficit of shareholders' funds at 3 March 2001. In order that the financial statements be prepared on a going concern basis, the Company's parent undertaking has indicated that it will finance the Company so as to enable it both to meet its liabilities as they fall due and to carry on its business operations.

2. The directors regard the ultimate holding company as being Otto Versand (GmbH & Co), a company incorporated in Germany. The immediate parent company is Freemans PLC which is registered in England.

Freemans PLC prepares Group accounts which include Freemans International Limited as a member. Otto Versand (GmbH & Co) is the only other parent undertaking for which Group accounts are prepared and of which the Company is a member. The Otto Versand (GmbH & Co) annual report is available from Otto Versand (GmbH & Co), Wandsbeker Str 3-7, 22172 Hamburg, Germany.

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|-------------------------------------|----------|-----------|
| 3. Share capital | 3.3.2001 | 26.2.2000 |
| Authorised, allotted and full paid: | £ | £ |
| 100 ordinary shares @ £1 each | 100 | 100 |

4. The financial statement was approved by the Board of Directors on 15 June 2001.