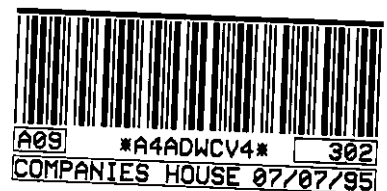


Lerose Leasing Limited

Directors' report and financial statements

28 January 1995

Registered number 1373311



Lerose Leasing Limited

Directors' report and financial statements

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Lerose Leasing Limited

Directors' report

The directors present their report and audited financial statements for the 53 weeks ended 28 January 1995. The company's results are set out on page 4.

Principal activity

The principal activity of the company continues to be financial leasing.

Review of business and future developments

No additional investment in leasing equipment was undertaken in the year.

Dividends

No dividend is recommended for the year (*22 January 1994: £Nil*).

Directors

The directors of the company during the year were:

JH Shannon	(Chairman)	(resigned 13 September 1994)
CJ McKenzie		
ML Bunce		(appointed 13 September 1994)

Directors' interests in shares

CJ McKenzie held 180 ordinary shares and options over 15,000 ordinary shares in Country Casuals Holdings plc both at 23 January 1994 and 28 January 1995. ML Bunce is a director of Country Casuals Holdings plc and his interests in the shares of group companies are disclosed in the accounts of Country Casuals Holdings plc.

Lerose Leasing Limited

Directors' report *(continued)*

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

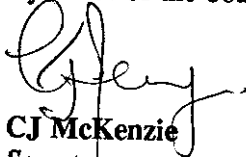
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board


CJ McKenzie
Secretary

50-55 Henrietta Street
Birmingham
B19 3PR

2 May 1995



2 Cornwall Street
Birmingham
B3 2DL

Report of the auditors to the members of Lerose Leasing Limited

We have audited the financial statements on pages 4 to 8.

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 the company's affairs as at 28 January 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

2 May 1995



Lerose Leasing Limited

Profit and loss account for the period ended 28 January 1995

	<i>Note</i>	53 weeks ended 28 January 1995 £	55 weeks ended 22 January 1994 £
Turnover	2	874	8,358
Administrative expenses		5,350	(721)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	6,224	7,637
Taxation on profit on ordinary activities	6	(1,500)	(1,909)
		<hr/>	<hr/>
Retained profit for the financial period		4,724	5,728
Retained profit brought forward		20,944	15,216
		<hr/>	<hr/>
Retained profit carried forward		25,668	20,944
		<hr/>	<hr/>

There were no recognised gains or losses in either the current or preceding period other than the profits for those periods.

There are no discontinued activities.

The retained profit for the period represents the only movement in shareholders' funds.

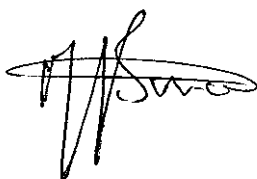
Lerose Leasing Limited

Balance sheet at 28 January 1995

	<i>Note</i>	28 January 1995 £	22 January 1994 £
Current assets			
Debtors	7	5,385	233,929
Cash		29,480	1,192
		<u>34,865</u>	<u>235,121</u>
Creditors: Amounts falling due within one year	8	(4,197)	(209,177)
Net assets		<u>30,668</u>	<u>25,944</u>
Capital and reserves			
Called up share capital	9	5,000	5,000
Profit and loss account		25,668	20,944
Shareholders' funds		<u>30,668</u>	<u>25,944</u>

These financial statements were approved by the board of directors on 2 May 1995 and were signed on its behalf by:

ML Bunce
Director



Lerose Leasing Limited

Notes

(forming part of the financial statements)

1 Accounting policies

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

Turnover

Turnover represents finance lease income recognised during the year.

Leased assets

Amounts due from lessees in respect of finance leases are included in debtors in the balance sheet at the net investment in those leases. These amounts represent the capital element of future lease rentals due to the company. Finance lease income is recognised by equal instalments over the lease terms.

Deferred taxation

Deferred taxation is provided to the extent that there is a reasonable probability that the tax will become payable in the foreseeable future. The provision is calculated on the liability method in respect of:

- (a) excess of the book value, based on historical cost, of those fixed assets qualifying for taxation allowances over their written down value for taxation purposes, and other timing differences;
- (b) capital gains deferred;

and is after deducting advance corporation tax available for future relief.

2 Turnover

Gross lease rentals received during the year amounted to £874 (22 January 1994: £8,358).

3 Operating profit

Operating profit is stated after charging:

	53 weeks ended 28 January 1995 £	55 weeks ended 22 January 1994 £
Auditors' remuneration	750	500

4 Directors' emoluments

The directors received no emoluments from the company (22 January 1994: £Nil).

5 Employee information

The company does not directly employ any staff.

Lerose Leasing Limited

Notes (continued)

6 Taxation

The tax charge is based on the profit on ordinary activities for the year and comprises:

	53 weeks ended 28 January 1995	55 weeks ended 22 January 1994
	£	£
Group relief payable	<u>1,500</u>	<u>1,909</u>

7 Debtors

	28 January 1995	22 January 1994
	£	£
Amounts falling due within one year:		
Amount due from parent and fellow subsidiary undertakings	1,909	232,460
Other debtors	<u>3,476</u>	<u>1,469</u>
	<u>5,385</u>	<u>233,929</u>

8 Creditors: Amounts falling due within one year

	28 January 1995	22 January 1994
	£	£
Amount owed to parent and fellow subsidiary undertakings	3,262	201,909
Other creditors	<u>935</u>	<u>7,268</u>
	<u>4,197</u>	<u>209,177</u>

9 Called up share capital

	28 January 1995	22 January 1994
	£	£
<i>Authorised:</i>		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

Lerose Leasing Limited

Notes *(continued)*

10 **Contingent liability**

The company, together with certain other group companies, has entered into arrangements with The Bank of Scotland. Each of the parties to these arrangements has jointly and severally given unlimited guarantees for certain obligations of the other parties.

11 **Ultimate parent company**

The largest group in which the results of the company are consolidated is that headed by Country Casuals Holdings plc, which is incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of this company may be obtained from the address below. No other group accounts include the results of the company.

Country Casuals Holdings plc
17/19 Maddox Street
London W1