

BAIRD OUTERWEAR BRANDS LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1999

Company Registration No: 1576119



DIRECTORS' REPORT

The Directors submit their report and accounts for the year ended 31 December 1999.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company acts as agent for and on behalf of Baird Textile Holdings Limited in the manufacture and sale mainly through shop within shop concessions of rainwear and casual wear.

DIRECTORS AND THEIR INTERESTS

The directors during the year and their interests in the share capital of William Baird PLC were as follows:

		At 31 December 1998			At 31 December 1999		
		Ordinary shares	Options	Awards under long term incentive plan	Or date of subsequent appointment		
					Ordinary shares	Options	Awards under long term incentive plan
J L Wood	Resigned 30.09.99	241	-	39981	241	-	39981
B Hynes	Resigned 31.12.99	A director of William Baird PLC*					
W Wilson	Appointed 01.01.99	-	30000	-	-	30000	-
	Resigned 30.09.99						
C Stevens	Resigned 30.11.99	-	21500	-	-	21500	-
J Hewson	Appointed 01.01.99	-	25885	-	-	25885	-
	Resigned 30.11.99						
C Gradwell	Appointed 01.01.99	4746	30000	-	4746	30000	-
	Resigned 30.11.99						
A Cooke	Appointed 01.01.99	-	23979	-	-	23979	-
	Resigned 31.12.99						
B Fairclough	Appointed 01.01.99	-	23979	-	-	23979	-
	Resigned 31.12.99						
P. Alsop	Appointed 25.11.99	5572	43520	29462	18654	43520	58375
R. Crow	Appointed 01.03.00	4743	24133	-	9743	24694	-
R M Henderson	Appointed 25.11.99	A director of William Baird PLC*					

No director was interested in the ordinary shares of the company, nor in the shares of any other group company.

Options have been granted under the Executive Share Option Scheme and the Savings Related Share Option Scheme to purchase ordinary shares at prices of 181p to 257p between 2000 and 2009.

* Details are included in William Baird PLC's report and accounts

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 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 being 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 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.

YEAR 2000

The Group is well advanced in addressing the risks identified from the Year 2000 issue. Group initiatives have been underway over the past year with the objective of ensuring that key systems are compliant in advance of any critical date without disruption to the business. These projects incorporated an assessment of the potential impact on the Group of Year 2000 problems at our key customers and suppliers. The approach we have adopted for business systems compliance involves a combination of modifying existing systems, replacing systems and refining processes where this is more cost effective. Incremental costs associated with Year 2000 compliance are not expected to be material.

AUDITORS

Ernst and Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

Registered Office:

Windsmoor House
Lawrence Road
Tottenham
London N15 4EP

BY ORDER OF THE BOARD



R Crow
Secretary

31 October 2000

REPORT OF THE AUDITORS TO THE MEMBERS OF
BAIRD OUTERWEAR BRANDS LIMITED

We have audited the accounts on pages 4 and 5 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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.

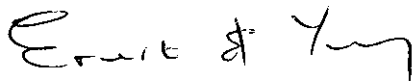
Basis of opinion

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 affairs of the company 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.



ERNST & YOUNG
REGISTERED AUDITOR
LONDON

Date: 31/10/00

BALANCE SHEET AT 31 DECEMBER 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
<u>Investments in subsidiary undertakings</u>	2	11,011	11,011
 <u>CURRENT ASSETS</u>			
Debtors -amount due from parent undertaking		9,329,244	9,329,244
		<hr/>	<hr/>
		£9,340,255	£9,340,255
		<hr/>	<hr/>
 <u>CAPITAL AND RESERVES</u>			
Called up share capital	3	8,300,000	8,300,000
Profit and loss account	4	1,040,255	1,040,255
		<hr/>	<hr/>
		£9,340,255	9,340,255
		<hr/>	<hr/>



Director
31 October 2000

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1999

1. Accounting Policies

The accounts have been prepared in accordance with applicable accounting standards, the Companies Act 1985 and under the historical cost convention.

2. Investments in Subsidiary Undertakings

	<u>1999</u>	<u>1998</u>
Shares at cost less amount written off	6,451,011	6,451,011
Less due to subsidiary	(6,440,000)	(6,440,000)
	<u>£ 11,011</u>	<u>£ 11,011</u>

The company's subsidiary undertakings are as follows:

<u>Name of Company</u>	<u>% Owned</u>	<u>Country of Incorporation</u>
Dannimac (Ireland) Limited	100	Ireland
Dannimac Manufacturing Limited	100	England

Consolidated accounts are not prepared as this company is a wholly owned subsidiary of William Baird PLC.

Directors valuation of shares in subsidiary companies £6,451,000 (1998: £6,451,000).

3. Share Capital

	<u>Authorised</u>		<u>Allotted, called up & fully paid</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
Ordinary shares of 25p each	£8,300,000	£8,300,000	£8,300,000	£8,300,000

4. Profit and Loss Account

The company has acted during the year only as an agent for Baird Textile Holdings Limited. It has not traded on its own account and accordingly it has made neither a trading profit nor a loss.

5. Ultimate Parent Undertaking and Controlling Party

The company's ultimate parent undertaking and controlling party is William Baird PLC and the company's results are included in group accounts prepared for that company.

William Baird is incorporated in Great Britain and registered in Scotland. Copies of the accounts of the company can be obtained from 2 Cavendish Square, London, W1M 0BF.