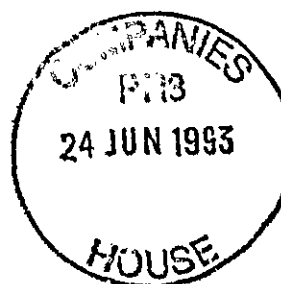


28-06-93

PANNELL
KERR
FORSTER
CHARTERED ACCOUNTANTS

NEW LOOK RETAILERS LIMITED
REPORT AND ACCOUNTS
52 WEEKS ENDED 27 MARCH 1993



NEW LOOK RETAILERS LIMITED

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REPORT AND ACCOUNTS

52 WEEKS ENDED 27 MARCH 1993

Directors:

M Singh
Mrs S Singh
T T Singh
Mrs K K Singh
J F Hanna
H S Dhillon
M P Fontaine

Secretary:

M P Fontaine

Auditor:

Pannell Kerr Forster
Wilmot House
St James's Court
Friar Gate
DERBY DE1 1BT

Banker:

Midland Bank plc
18 St Mary Street
WEYMOUTH
Dorset DT4 8PH

Solicitor:

Pengilly & Ridge
Post Office Chambers
67 St Thomas Street
WEYMOUTH
Dorset DT4 8HB

Registered Office:

Unit A
Littlesea Industrial Estate
83 Lynch Lane
WEYMOUTH
Dorset DT4 9DN

DIRECTORS' REPORT

52 WEEKS ENDED 27 MARCH 1993

The directors present their report and the audited accounts of the company for the 52 weeks ended 27 March 1993.

REVIEW OF THE BUSINESS

The principal activity of the company is the retailing of women's fashion wear. This activity is anticipated to continue in the foreseeable future.

The company has continued to open new retail outlets within and as an extension of, its trading area. The results have benefited accordingly.

RESULTS AND DIVIDENDS

The company's profit after tax for the period was £2,408,000 (1992: £985,000). It is proposed that this amount be paid by way of dividend (1992: £nil).

DIRECTORS AND THEIR INTERESTS

The directors at the period end, all of whom were directors throughout the period except where noted, were as follows:

T T Singh
Mrs K K Singh
M Singh
Mrs S Singh
H S Dhillon (appointed 1 May 1992)
J F Hanna (appointed 1 May 1992)
M P Fontaine (appointed 1 May 1992)

M Singh holds one share in the company in his capacity as nominee for New Look Holdings Limited. No other director holds any share in the company.

H S Dhillon holds options to subscribe for up to 2741 "A" ordinary shares and up to 2741 "B" ordinary shares in the holding company at a price of £29.31 per "A" ordinary share and £1 per "B" ordinary share. The options expire on 31 March 1995.

M P Fontaine holds options to subscribe for up to 1052 "A" ordinary shares and up to 1052 "B" ordinary shares in the holding company at a price of £72.18 per "A" ordinary share and a price of £3.98 per "B" ordinary share. The options expire on 31 March 1996.

The other directors are also directors of the holding company and their interests in the holding company's shares are disclosed in the directors' report of that company.

FIXED ASSETS

The movements in tangible fixed assets are shown in notes 8 and 9 to the accounts.

NEW LOOK RETAILERS LIMITED

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DIRECTORS' REPORT (Continued)

52 WEEKS ENDED 27 MARCH 1993

POLITICAL AND CHARITABLE DONATIONS

During the period the company made various charitable contributions totalling £1,609.

EMPLOYMENT POLICIES

It is the company's policy to keep its employees informed of matters affecting their interests through normal management channels, and due consideration is given to their interests in making management decisions.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who is fortunate enough not to suffer from disability.

CLOSE COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITOR

The directors will place a resolution before the annual general meeting to reappoint Pannell Kerr Forster as auditor for the ensuing year.

By Order of the Board



M P Fontaine
Secretary

17 June 1993

AUDITOR'S REPORT TO THE MEMBERS OF

NEW LOOK RETAILERS LIMITED

52 WEEKS ENDED 27 MARCH 1993

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**PANNELL
KERR
FORSTER**
CHARTERED ACCOUNTANTS

We have audited the accounts on pages 5 to 14 in accordance with Auditing Standards.

In our opinion, the accounts give a true and fair view of the state of affairs of the company at 27 March 1993 and of its profit for the fifty two weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

Pannell Kerr Forster

Derby
21 June 1993

Pannell Kerr Forster
Chartered Accountants
Registered Auditor

NEW LOOK RETAILERS LIMITED

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PROFIT AND LOSS ACCOUNT

52 WEEKS ENDED 27 MARCH 1993

	Notes	1993 £'000	1992 £'000
TURNOVER	2	52,697	31,505
Cost of sales		<u>(41,566)</u>	<u>(26,052)</u>
GROSS PROFIT		11,131	5,453
Distribution costs		(1,848)	(1,180)
Administrative expenses		(6,111)	(3,306)
Other operating income		<u>788</u>	<u>602</u>
OPERATING PROFIT FROM CONTINUING OPERATIONS		3,960	1,569
Interest payable less receivable	3	<u>(39)</u>	<u>(71)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	3,921	1,498
Tax on profit on ordinary activities	7	<u>(1,513)</u>	<u>(513)</u>
PROFIT FOR THE FINANCIAL PERIOD		2,408	985
Dividends		<u>(2,408)</u>	<u>—</u>
PROFIT TRANSFERRED TO RESERVES		<u>—</u>	<u>985</u>

There were no other recognised gains and losses, or other movements in shareholders' funds during the period.

Movements in reserves are shown in note 17 to the accounts.

NEW LOOK RETAILERS LIMITED

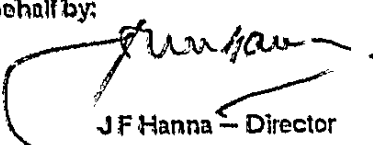
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BALANCE SHEET

AS AT 27 MARCH 1993

	Notes	1993 £'000	1992 £'000
FIXED ASSETS			
Tangible assets	8	6,191	4,400
Investments	9	<u>5</u>	<u>-</u>
		<u>6,196</u>	<u>4,400</u>
CURRENT ASSETS			
Stocks	10	4,077	2,528
Debtors	11	1,966	1,336
Cash at bank and in hand		<u>1,706</u>	<u>71</u>
		7,749	3,935
CREDITORS: amounts falling due within one year	12	<u>(12,105)</u>	<u>(6,645)</u>
NET CURRENT LIABILITIES		<u>(4,356)</u>	<u>(2,710)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,840	1,690
CREDITORS: amounts falling due after more than one year	13	(435)	(366)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	15	<u>(192)</u>	<u>(111)</u>
		<u>1,213</u>	<u>1,213</u>
CAPITAL AND RESERVES			
Called up share capital	16	<u>1</u>	<u>1</u>
Profit and loss account	17	<u>1,212</u>	<u>1,212</u>
		<u>1,213</u>	<u>1,213</u>

Approved by the board of directors on 17 June 1993 and signed on its behalf by:



J F Hanna - Director

NOTES TO THE ACCOUNTS

52 WEEKS ENDED 27 MARCH 1993

1 ACCOUNTING POLICIES

Accounting convention

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

Depreciation

Depreciation is calculated to write off the cost, less residual value, of tangible fixed assets by equal instalments over their useful lives, estimated to be as follows:

Leasehold land and buildings	Period of lease
Fixtures and fittings	Five years
Plant and machinery	Five years
Motor vehicles	Five years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is based upon purchase cost on a first-in first-out basis.

Leases and hire purchase contracts

Assets acquired under finance leases or similar hire purchase contracts are recorded in the balance sheet as tangible fixed assets. Future instalments under such leases or contracts are included, net of finance charges, within creditors. Payments are apportioned between the finance element, which is charged to the profit and loss account, and the capital element, which reduces the outstanding obligation for future instalments. The finance element is charged to the profit and loss account over the period of the lease or contract and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account in the period in which they are incurred.

Deferred taxation

Provision is made for taxation deferred by capital allowances and any other temporary differences between the incidence of income and expenditure for tax and accounting purposes, to the extent that, in the opinion of the directors, the tax deferred is expected to become payable in the foreseeable future. Tax provided is calculated on the liability method.

Pensions

Defined contribution pension schemes exist for certain employees. Contributions are charged to the profit and loss account as they become payable, in accordance with the rules of the schemes.

NOTES TO THE ACCOUNTS (Continued)

52 WEEKS ENDED 27 MARCH 1993

1 ACCOUNTING POLICIES (Continued)

Foreign currency

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

Deferred income

Income received by way of consideration to enter into a lease, generally referred to as "reverse premiums", has been treated as deferred income and is credited to the profit and loss account in equal instalments over three years.

2 TURNOVER

Turnover derives from retail sales within the United Kingdom and is shown exclusive of returns and value added tax.

3 INTEREST PAYABLE LESS RECEIVABLE

	1993 £'000	1992 £'000
Interest payable		
On borrowings repayable within five years, not by instalments	55	57
On hire purchase contracts	18	14
Interest receivable	(34)	—
	<u>39</u>	<u>71</u>

NOTES TO THE ACCOUNTS (Continued)

52 WEEKS ENDED 27 MARCH 1993

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1993 £'000	1992 £'000
Profit on ordinary activities is stated after crediting:		
Reverse premium amortisation	424	303
Profit on sale of fixed assets	1	-
Commission receivable	344	272
Rent receivable	<u>18</u>	<u>25</u>

and after charging:

Depreciation charge for the year		
- Tangible owned fixed assets	1,748	1,087
- Tangible fixed assets held under hire purchase contracts	76	5
Loss on sale of fixed assets	-	12
Operating lease rentals on land and buildings	4,218	3,202
Other operating lease rentals	235	24
Auditor's remuneration	<u>33</u>	<u>30</u>

Non-audit fees paid to the company's auditors amounted to £6,000.

5 DIRECTORS' EMOLUMENTS

Fees as directors	111	614
Other emoluments (including pension contributions)	<u>235</u>	<u>350</u>
	<u>346</u>	<u>964</u>

The directors' remuneration shown above (excluding pension contributions) includes:

Chairman (who was also the highest paid director in 1992)	-	<u>226</u>
Highest paid director	<u>158</u>	

Other directors received emoluments in the following ranges:

	Number	Number
£0 to £5,000	4	-
£70,001 to £75,000	-	1
£115,001 to £120,000	-	1
£135,001 to £140,000	1	-
£200,001 to £205,000	<u>-</u>	<u>1</u>

During the period ended 27 March 1993, all directors were remunerated by the holding company. Five of the directors, including the chairman, are also directors of the holding company. Their emoluments, which total £2,205,000, are disclosed within that company's accounts and are not included within the amounts noted above.

NOTES TO THE ACCOUNTS (Continued)

52 WEEKS ENDED 27 MARCH 1993

5 DIRECTORS' EMOLUMENTS (continued)

The above figures for emoluments do not include any amount for the value of share options granted to, or held by, directors. Details of the options are given in the directors' report.

6 STAFF COSTS

	1993 £'000	1992 £'000
Wages and salaries	6,836	5,655
Social Security costs	552	413
Other pension costs	<u>31</u>	<u>428</u>
	<u>7,419</u>	<u>6,496</u>

The average number of persons employed by the company during the period was:

	Number	Number
Administration and buying	255	214
Retailing	949	594
Property management	<u>-</u>	<u>3</u>
	<u>1,204</u>	<u>811</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is made up as follows:

	£'000	£'000
UK corporation tax at 33% (1992: 33%)	1,328	481
Adjustment in respect of prior years	104	25
Deferred taxation	<u>81</u>	<u>7</u>
	<u>1,513</u>	<u>513</u>

MOVES TO THE ACCOUNTS (Continued)

52 WEEKS ENDED 27 MARCH 1993

8 TANGIBLE FIXED ASSETS

	Short Leasehold Land and Buildings £'000	Fixtures and fittings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost					
At 28 March 1992	528	5,408	1,483	308	7,727
Additions	381	1,068	2,097	78	3,624
Disposals	(28)	(102)	(41)	—	(171)
At 27 March 1993	<u>881</u>	<u>6,374</u>	<u>3,539</u>	<u>386</u>	<u>11,180</u>
Accumulated depreciation					
At 28 March 1992	106	2,738	323	160	3,327
Charge for the period	122	1,093	558	51	1,824
Disposals	(27)	(102)	(33)	—	(162)
At 27 March 1993	<u>201</u>	<u>3,729</u>	<u>848</u>	<u>211</u>	<u>4,989</u>
Net book value					
At 27 March 1993	<u>680</u>	<u>2,645</u>	<u>2,691</u>	<u>175</u>	<u>6,191</u>
At 28 March 1992	<u>422</u>	<u>2,670</u>	<u>1,160</u>	<u>148</u>	<u>4,400</u>

Included in plant and machinery and motor vehicles are assets held under hire purchase agreements, with a net book value of £458,000 (1992: £86,000). £76,000 (1992: £5,000) depreciation was charged in respect of these assets during the year.

Capital commitments

	1993 £'000	1992 £'000
Amounts authorised but not contracted for	<u>204</u>	<u>497</u>

9 INVESTMENTS

	£'000
At 28 March 1992	—
Acquired — unquoted investments at cost	<u>5</u>
At 27 March 1993	<u>5</u>

NOTES TO THE ACCOUNTS (Continued)

52 WEEKS ENDED 27 MARCH 1993

10 STOCKS

	1993 £'000	1992 £'000
Finished goods for resale	3,794	2,208
Shopfitting materials, stationery and wrappings	<u>283</u>	<u>320</u>
	<u>4,077</u>	<u>2,528</u>

11 DEBTORS

Trade debtors	80	83
Amounts owed by group undertakings	604	531
Prepayments and accrued income	<u>1,273</u>	<u>713</u>
Other debtors	<u>9</u>	<u>9</u>
	<u>1,966</u>	<u>1,336</u>

12 CREDITORS:
amounts falling due within one year

Loan from pension scheme	503	403
Hire purchase obligations	142	18
Trade creditors	3,048	3,312
Amounts owed to group undertakings	2,854	532
Corporation tax	1,388	474
Taxation and social security	1,062	370
Accruals and deferred income	<u>1,267</u>	<u>810</u>
Other creditors	<u>1,841</u>	<u>726</u>
	<u>12,105</u>	<u>6,645</u>

13 CREDITORS:
amounts falling after more than one year

Hire purchase obligations, due in two to five years	199	39
Deferred income	<u>236</u>	<u>327</u>
	<u>435</u>	<u>366</u>

Hire purchase obligations are secured over the assets to which they relate.

NEW LOOK RETAILERS LIMITED

13

NOTES TO THE ACCOUNTS (Continued)

52 WEEKS ENDED 27 MARCH 1993

14. OPERATING LEASE COMMITMENTS

	1993 £'000	1992 £'000
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The company had annual commitments under non-cancellable operating leases which expire as set out below:

Land and buildings

Under one year	131	185
In the second to fifth year inclusive	313	53
In more than five years	<u>4,802</u>	<u>3,028</u>

	<u>5,246</u>	<u>3,266</u>
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Other assets

Under one year	10	34
In the second to fifth year inclusive	<u>217</u>	<u>40</u>

	<u>227</u>	<u>74</u>
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15 DEFERRED TAXATION

£'000

At 29 March 1992 — accelerated capital allowances	111
Provided — accelerated capital allowances	<u>81</u>

At 27 March 1993 — accelerated capital allowances	<u>192</u>
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The amount provided was also the full potential provision other than £44,000 relating to taxation of capital gains rolled over. This has not been provided for because, in the opinion of the directors, it is not expected to reverse in the foreseeable future.

There were no movements in the year other than the charge to profit and loss.

16 SHARE CAPITAL

	1993 £'000	1992 £'000
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Authorised:

100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
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Allotted, called up and fully paid:

1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
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NOTES TO THE ACCOUNTS (Continued)

52 WEEKS ENDED 27 MARCH 1993

17 PROFIT AND LOSS ACCOUNT

	£'000
At 28 March 1992	1,212
Retained profit for the period	<u>—</u>
At 27 March 1993	<u>1,212</u>

18 PENSION ARRANGEMENTS

Contributions are made to defined contribution pension schemes. Pension contributions amounting to £ 31,000 (1992: £428,000) were set aside by the company during the period.

19 RELATED-PARTY TRANSACTIONS

Certain properties in which the company has an interest are, or have been, beneficially owned by the directors or persons whose relationship to the company is that of a related party. The company has also paid market rate rents on certain properties owned by the directors and has sub-let properties to related parties at market rate rents.

The company operates accessory concessions for the sale of jewellery and other accessories within certain of its retail stores. The relationship of the concessionaires to the company is that of a related party. In addition, some goods are sold to related parties for the purposes of their trade. The income generated is not material to the income of the company as a whole.

20 CONTINGENT LIABILITIES

An unlimited multi-lateral guarantee dated 7 December 1988 is held by Midland Bank plc, this guarantees the gross indebtedness of the group to the Midland Bank plc which amounted to £2,649,000 as at 27 March 1993.

21 ULTIMATE HOLDING COMPANY

The company is a wholly-owned subsidiary of New Look Holdings Limited, a company registered in England. Copies of the group accounts can be obtained from:

The Secretary
Unit A
Littlesea Industrial Estate
83 Lynch Lane
Weymouth
Dorset
DT4 9DN