

CUSTOMLOOK LIMITED

DIRECTORS' REPORT

(registered number 2029103)

The directors submit their annual report and the accounts for the year ended 29th August 1998.

The company did not trade during the year or the preceding year, incurred no liabilities and consequently, made neither profit nor loss. Any expenses have been met by other group companies. The sole transaction was the transfer to another group company of the company's investment in High Street Property Investments Limited, at net book amount.

Details of directors during the year and their interests in the share and loan capital of the ultimate parent undertaking, Arcadia Group plc (formerly The Burton Group plc), are as follows:

	<u>DN Brown</u>	<u>IP Jackman</u>	<u>AA Goldman</u> (Appointed 19.1.98)
<u>At 29th August 1998 – Arcadia Group plc shares</u>			
Ordinary shares of 80p each	1,568	30,064	29
Options to acquire ordinary shares of 80p each	24,563	74,862	14,115
Provisional share allocation	2,596	11,962	753
Options exercised – The Burton Group plc shares	72,915	22,754	661
Options granted – Arcadia Group plc shares	24,563	74,862	14,115
<u>At 31st August 1997 or later date of appointment – The Burton Group plc shares</u>			
Ordinary shares of 10p each	15,858	232,948	5,571
Options to acquire ordinary shares of 10p each	72,915	22,754	661
Provisional share allocation	7,503	34,571	2,176

Mr J Hodges resigned as director on 19th January 1998.

None of the directors had an ^(22nd) interest in the share capital of the company or received any remuneration in respect of his services to the company. On 22nd January 1998 every 8 shares of 10p each in The Burton Group plc were consolidated into 1 share of 80p each and The Burton Group plc changed its name to Arcadia Group plc. The provisional share allocations were made under the Long Term Share Plan operated by Arcadia Group plc and have been adjusted in number to reflect the demerger of Debenhams plc.

DIRECTORS' RESPONSIBILITIES

The directors set out below their responsibilities in connection with the financial statements.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the 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;
- * prepare the financial statements 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 financial statements 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.

AUDITORS

PricewaterhouseCoopers have been appointed auditors. PricewaterhouseCoopers have indicated their willingness to be re-appointed at the forthcoming annual general meeting.

On behalf of the Board


DN Brown, Director
21st October 1998



Registered Office:
Colegrave House
70 Berners Street
London W1P 3AE

**AUDITORS' REPORT TO THE MEMBERS OF
CUSTOMLOOK LIMITED**

We have audited the financial statements on page 3 which have been prepared under the historical cost convention and the accounting policies set out on page 3.

Respective responsibilities of directors and auditors

As described on page 1 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 affairs of the company at 29th August 1998 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

9 Bond Court
Leeds LS1 2SN

21st October 1998

CUSTOMLOOK LIMITED

BALANCE SHEET - 29TH AUGUST 1998

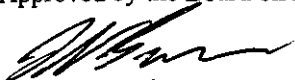
		<u>1998</u>	<u>1997</u>
FIXED ASSET - Investment in subsidiary undertaking	(note 2)	-	£20,000
CREDITORS - Amount due to parent undertaking		<u>£2</u>	<u>£(19,998)</u>
NET ASSETS		<u>£2</u>	<u>£2</u>

	<u>Authorised</u>	<u>Issued and fully paid</u>		
CALLED UP SHARE CAPITAL - Ordinary shares of £1 each	<u>£100</u>	<u>£2</u>	<u>£2</u>	<u>£2</u>
(Shareholders' funds)				

Notes

- 1 The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- 2 The company did not trade during the year or the preceding year, incurred no liabilities and consequently, made neither profit nor loss. Any expenses have been met by other group companies. There were no recognised gains or losses for the year or the preceding year. The sole transaction was the transfer to another group company of the company's investment in High Street Property Investments Limited, a dormant company registered in England, at net book amount.
- 3 The ultimate parent undertaking is Arcadia Group plc. Copies of the accounts of Arcadia Group plc may be obtained by writing to the secretary, at Colegrave House, 70 Berners Street, London, W1P 3AE. The company is wholly owned by Arcadia Group plc and is included in the consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of Arcadia Group plc group.
- 4 None of the directors received any emoluments in respect of his services to the company. Auditors' remuneration has been borne by another group company.

Approved by the Board on 21st October 1998.


DN Brown, Director