

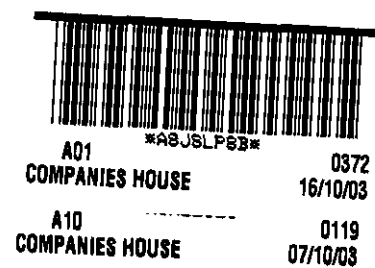
Amending

MELITA SHOE IMPORTS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2002

Registered number 2447747



MELITA SHOE IMPORTS LIMITED

DIRECTOR'S REPORT

The directors present their report and financial statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The company did not trade during the year, and accordingly no profit and loss account is presented. The directors do not anticipate that the company will trade during the current year.

The financial statements have not been prepared on a going concern basis as the company did not trade during the year, which makes the going concern presumption in FRS 18 "Accounting Policies" inappropriate. Therefore, the financial statements have been prepared on a break-up basis, which has not had a material impact on the financial statements.

BUSINESS REVIEW AND DIVIDENDS

The state of the company's affairs is as shown in the attached financial statements. The directors do not recommend the payment of a dividend (2001 - £nil).

DIRECTOR AND HIS INTERESTS

The following directors held office during the year:

NPH Webster
RA Stevens

The director had no interests in the shares of the company, or any other group company, during the year.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period to that date. In preparing those financial statements the directors are required:

to select suitable accounting policies and then apply them consistently;

to make judgements and estimates that are reasonable and prudent;

to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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 of the company 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.

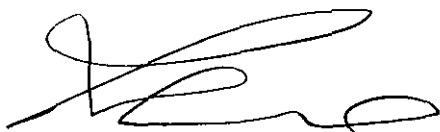
MELITA SHOE IMPORTS LIMITED

DIRECTOR'S REPORT (CONTINUED)

AUDITORS

The company is not trading. The directors have relied on Section 249 of the Companies Act 1985 not to appoint an auditor to the company on the grounds that it is dormant.

By Order of the Board

A handwritten signature in black ink, appearing to be 'R A Stevens', written over a horizontal line.

R A Stevens
Secretary
21 March 2003

MELITA SHOE IMPORTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2002

| | <u>Notes</u> | <u>2002</u> £ | <u>2001</u> £ |
|---|--------------|------------------|------------------|
| Current liabilities | | | |
| Creditors - amounts falling due within one year | 3 | (594,929) | (594,929) |
| | | <u>(594,929)</u> | <u>(594,929)</u> |
| Capital and reserves | | | |
| Called up share capital | 4 | 2 | 2 |
| Profit and loss account | | (594,931) | (594,931) |
| | | <u>(594,929)</u> | <u>(594,929)</u> |
| Total shareholder's funds (all attributable to equity interest) | | (594,929) | (594,929) |

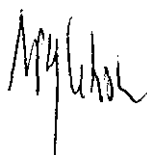
For the year ended 31 December 2002 the company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

"No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2)".

The director's knowledge their responsibility for: (i) Ensuring the company keeps accounting records which comply with section 221; and (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the Board on 21 March 2003

On behalf of the Board



NPH Webster

Director

The notes on page 4 form part of these financial statements.

MELITA SHOE IMPORTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 ACCOUNTING POLICIES

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

Going concern As stated in the Director's Report, the financial statements have been prepared on a break-up basis.

2 PROFIT AND LOSS ACCOUNT

The company did not trade during the financial year or the preceding financial year, and accordingly, no profit and loss account has been presented.

3 CREDITORS - amounts falling due within one year

| | <u>2002</u> £ | <u>2001</u> £ |
|---|------------------|------------------|
| Amounts due to fellow subsidiary undertakings | 594,929 | 594,929 |
| | <u>594,929</u> | <u>594,929</u> |

4 SHARE CAPITAL

| | <u>2002</u> £ | <u>2001</u> £ |
|---|------------------|------------------|
| Authorised 1,000 ordinary shares of £1 each | 1,000 | 1,000 |
| Authorised and fully paid 2 ordinary shares of £1 each | <u>2</u> | <u>2</u> |

5 PARENT UNDERTAKINGS

The intermediate parent undertaking, Pentland Industries Limited, a company registered in England, has produced accounts for the year ended 31 December 2002 which will be available from Lakeside, Squires Lane, Finchley, London, N3 2QL. The ultimate parent undertaking is Pentland Group plc (formerly Robert Stephen Holdings Limited), a company registered in England. Consolidated accounts will be prepared by Pentland Group plc for the year ended 31 December 2002 and these will be obtainable from the company's registered office at 8 Manchester Square, London W1U 3PH.