

MELITA SHOE IMPORTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2004

Registered number 2447747



MELITA SHOE IMPORTS LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting his/their report and the financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

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.

The state of the Company's affairs is shown in the attached financial statements.

DIVIDENDS

The Directors do not recommend the payment of a dividend (2003: £nil).

DIRECTORS AND THEIR INTERESTS

The following Directors held office during the year unless noted:

N P H Webster	(Resigned 31.03.04)
R A Stevens	(Resigned 01.01.05)
P J Campbell	(Appointed 01.01.05)
J S Sinclair	(Appointed 31.03.04)

No Director had any interest in the shares of the Company or any other Group company in the year.

STATEMENT OF DIRECTORS' 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 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, and subject to any material departures disclosed and explained in the financial statements; and
- 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

DIRECTORS' REPORT (continued)

AUDITORS

The Company is not trading. The Directors have relied on Section 249 of the Companies Act 1985 not to appoint auditors to the Company on the grounds that it is dormant.

By Order of the Board

A handwritten signature in black ink, appearing to read 'P J Campbell', is written above the printed name.

P J Campbell
Secretary
11 March 2005

MELITA SHOE IMPORTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	2003 £
Current liabilities			
Creditors – amounts falling due within one year	3	(594,929)	(594,929)
Net liabilities		<u>(594,929)</u>	<u>(594,929)</u>
Capital and reserves			
Called up equity share capital	4	2	2
Profit and loss account		(594,931)	(594,931)
Total shareholders' deficit		<u>(594,929)</u>	<u>(594,929)</u>

For the year ended 31 December 2004 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 Directors acknowledge 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 11 March 2005

On behalf of the Board



P J Campbell

DIRECTOR

The notes on page 5 form part of these financial statements.

MELITA SHOE IMPORTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 ACCOUNTING POLICIES

Basis of preparation 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 is presented.

3 CREDITORS - amounts falling due within one year

	2004 £	2003 £
Amounts due to fellow subsidiary undertakings	594,929	594,929

4 SHARE CAPITAL

	2004 £	2003 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	2004 £	2003 £
Allotted, issued and fully paid		
2 ordinary shares of £1 each	2	2

5 PARENT UNDERTAKINGS

The intermediate parent undertaking Pentland Industries Ltd, a company registered in England, has prepared accounts for the year ended 31 December 2004 and these can be obtained from the company's registered office at 8 Manchester Square, London W1U 3PH. The ultimate parent undertaking is Pentland Group plc, a company registered in England. Consolidated accounts have been prepared by Pentland Group plc for the year ended 31 December 2004 and these can be obtained from the company's registered office at 8 Manchester Square, London W1U 3PH