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NEW & LINGWOOD HOLDINGS LIMITED
(Company No. 2635549)

REPORT AND ACCOUNTS

27TH JANUARY 2001



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COMPANIES HOUSE 23/11/01

RAWLINSON & HUNTER

CHARTERED ACCOUNTANTS

EAGLE HOUSE 110 JERMYN STREET LONDON SW1Y 6RH

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29/11/01

NEW & LINGWOOD HOLDINGS LIMITED

INDEX

	<u>Page</u>
REPORT OF THE DIRECTORS	1
REPORT OF THE AUDITORS	2
BALANCE SHEET	3
NOTES TO THE ACCOUNTS	4 - 6

NEW & LINGWOOD HOLDINGS LIMITED

REPORT OF THE DIRECTORS

Directors: A.M. Spitz
B. Cohen
M. Rapp

The directors submit their report and the audited accounts of the company for the financial year ended 27th January 2001.

DIRECTORS' RESPONSIBILITIES

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 or loss 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;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the accounts;
- 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 maintaining 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.

PRINCIPAL ACTIVITY

The principal activity of the company during the financial year was the holding and co-ordinating company of the New & Lingwood group.

RESULTS AND REVIEW OF THE BUSINESS

The company did not trade during the year and did not enter into any transactions that would be required to be reflected in the profit and loss account.

The directors do not recommend the payment of a dividend.

DIRECTORS

The names of the current directors are stated at the head of this report. E.E.Elson was appointed a director on 17th August 2000. L.D. Gishen, who served as a director throughout the year, resigned on 21st June 2001. M. Ulfane, S.B. Gorvy and E.E. Elson also served as directors throughout the year and resigned on 31st October 2001. All other directors served throughout the year.

None of the directors had any interest in the shares of the company during the financial year.

AUDITORS

A resolution to re-appoint Rawlinson & Hunter as auditors to the company will be proposed at the Annual General Meeting.

By Order of the Board

Registered Office:
Eagle House
110 Jermyn Street
London
SW1Y 6RH



Secretary

20 NOV 2001

RAWLINSON & HUNTER

CHARTERED ACCOUNTANTS

EAGLE HOUSE 110 JERMYN STREET LONDON SW1Y 6RH

**REPORT OF THE AUDITORS
TO THE MEMBERS OF
NEW AND LINGWOOD HOLDINGS LIMITED**

We have audited the accounts on pages 3 to 6 which have been prepared following the accounting policies set out on page 4.

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

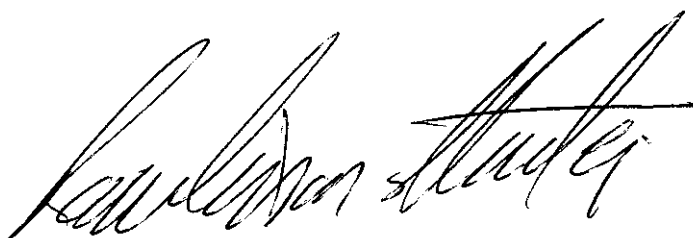
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by 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.

We draw attention to note 1, basis of accounting, which explains that the accounts have been drawn up on a going concern basis which assumes the continued support of the ultimate parent undertaking and its shareholders. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the affairs of the company as at 27th January 2001 and have been properly prepared in accordance with the Companies Act 1985.

21 November 2001

Registered Auditor

NEW & LINGWOOD HOLDINGS LIMITED

BALANCE SHEET

27TH JANUARY 2001

	<u>Notes</u>	<u>2001</u> £	<u>2000</u> £
FIXED ASSETS			
Investments	2	936,800	936,800
CURRENT ASSETS			
Debtors - due in more than one year	3	373,000	373,000
TOTAL ASSETS		<u>£1,309,800</u>	<u>£1,309,800</u>
CAPITAL AND RESERVES			
Called up share capital	4	2,300,000	2,300,000
Profit and loss account		(990,200)	(990,200)
SHAREHOLDERS' FUNDS	5	<u>£1,309,800</u>	<u>£1,309,800</u>

Approved by the Board on
and signed on its behalf by:

20 NOV 2001




NEW & LINGWOOD HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

27TH JANUARY 2001

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, modified by the revaluation of the fixed asset investment, and on a going concern basis and assumes the continued support of the ultimate parent undertaking and its shareholders. They have been prepared in accordance with applicable accounting standards.

Group accounts

As permitted by Section 248 of the Companies Act 1985, group accounts have not been prepared.

Fixed Asset Investment

The fixed asset investment in group and associated undertakings is included at the directors' valuation. The basis of valuation is explained in note 2.

Profit and loss account

The company has not entered into any transactions during the year required to be reflected in the profit and loss account, accordingly no profit and loss account has been prepared.

2. FIXED ASSETS - INVESTMENTS

Shares in group undertakings

	2001 £	2000 £
New and Lingwood Limited at cost	1,794,860	1,794,860
Provision against investment	(894,860)	(894,860)
	<hr/> 900,000	<hr/> 900,000
Shares in associated undertaking - LR Footwear Limited	36,800	36,800
	<hr/> £ 936,800	<hr/> £ 936,800
As at 27th January 2001	<hr/> <hr/>	<hr/> <hr/>

On 8th October 1991 the company acquired the entire issued share capital of New and Lingwood Limited, a company incorporated in Great Britain, whose principal activity was that of shirtmaker, shoemaker and retailers of gentlemen's clothing. Upon acquisition the directors considered it prudent to value the investment on the basis of the approximate book value of the net assets in New and Lingwood Limited and its subsidiaries as at that date. Accordingly a provision of £894,860 has been made against the investment.

The following companies are wholly owned subsidiaries of New and Lingwood Limited, all of which are incorporated in Great Britain:-

<u>Name</u>	<u>Principal activity</u>
Bowring Arundel & Company Limited	Non trading
J. Gane & Company Limited	Non trading
H.C. Slade & Company Limited	Non trading
New and Lingwood Wholesale Limited	Non trading

As permitted by Section 248 of the Companies Act 1985, group accounts have not been prepared.

NEW & LINGWOOD HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

27TH JANUARY 2001

2 FIXED ASSETS – INVESTMENTS (continued)

The profit for the year of New and Lingwood Limited and its subsidiaries was £96,360 (2000 - £30,361). The shareholders' funds, which are entirely attributable to the company were £(389,810) (2000 - £(486,170)).

The company has a 36.8% interest in the ordinary share capital of LR Footwear Limited, a company incorporated in Great Britain. The company makes up its accounts to 31st December each year and its loss for the year ended 31st December 2000 was £83,678 (2000 - £90,995). The company's share of the loss for the year is £30,794 (2000 - £33,486) and of its shareholder's funds is £(27,480) (2000 - £3,314).

3 DEBTORS - due in more than one year

20012000

Amounts owed by group undertakings

£ 373,000£ 373,000

These amounts can only be demanded with the prior written consent of the group's banker the National Westminster Bank plc.

4 CALLED UP SHARE CAPITAL

20012000

£

£

Authorised

155,556 Ordinary shares of £1 each

155,556

155,556

2,194,444 Redeemable Ordinary shares of £1 each

2,194,444

2,194,444

£2,350,000£2,350,000**Allotted, called up and fully paid**

127,778 Ordinary shares of £1 each

127,778

127,778

2,172,222 Redeemable Ordinary shares of £1 each

2,172,222

2,172,222

£2,300,000£2,300,000

The Redeemable Ordinary shares are redeemable at the option of the company at par value plus any dividend, attributable to those shares, declared but unpaid.

Full redemption must have taken place either on the admission to the Official List of the Ordinary Share capital of the company by the Council of The Stock Exchange or 31st January 2021, whichever is earlier.

In all other respects the Ordinary and Redeemable Ordinary rank pari passu.

5 RECONCILIATION OF SHAREHOLDERS' FUNDS

2001

Opening and closing shareholders' funds

£1,309,800

NEW & LINGWOOD HOLDINGS LIMITED**NOTES TO THE ACCOUNTS****27TH JANUARY 2001****6. PARENT UNDERTAKING**

The directors consider that the ultimate parent undertaking is Pillar Holdings Limited, a company incorporated in Jersey, the Channel Islands. The trustees, for the time being, of the Anshire Trust have a controlling interest in Pillar Holdings Limited and are therefore considered to be the ultimate controlling parties.

7. RELATED PARTY TRANSACTIONS**New and Lingwood Limited**

New and Lingwood Limited, a subsidiary undertaking, has been granted an interest free loan from the company of £373,000 (2000 - £373,000) which is repayable at more than one year's notice.