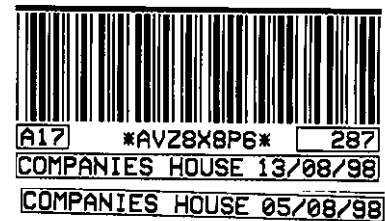
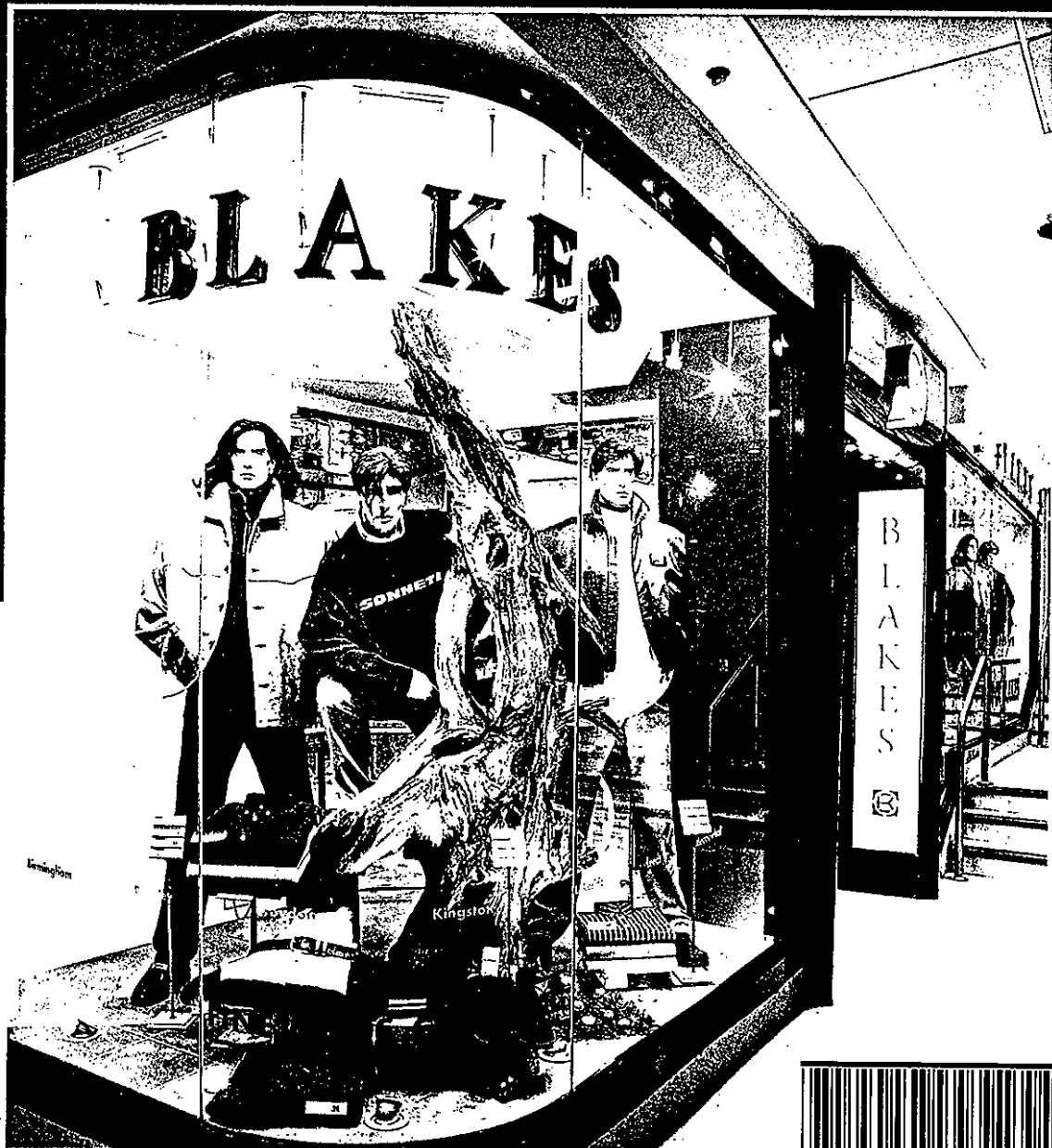


BLAKES  
CLOTHING PLC

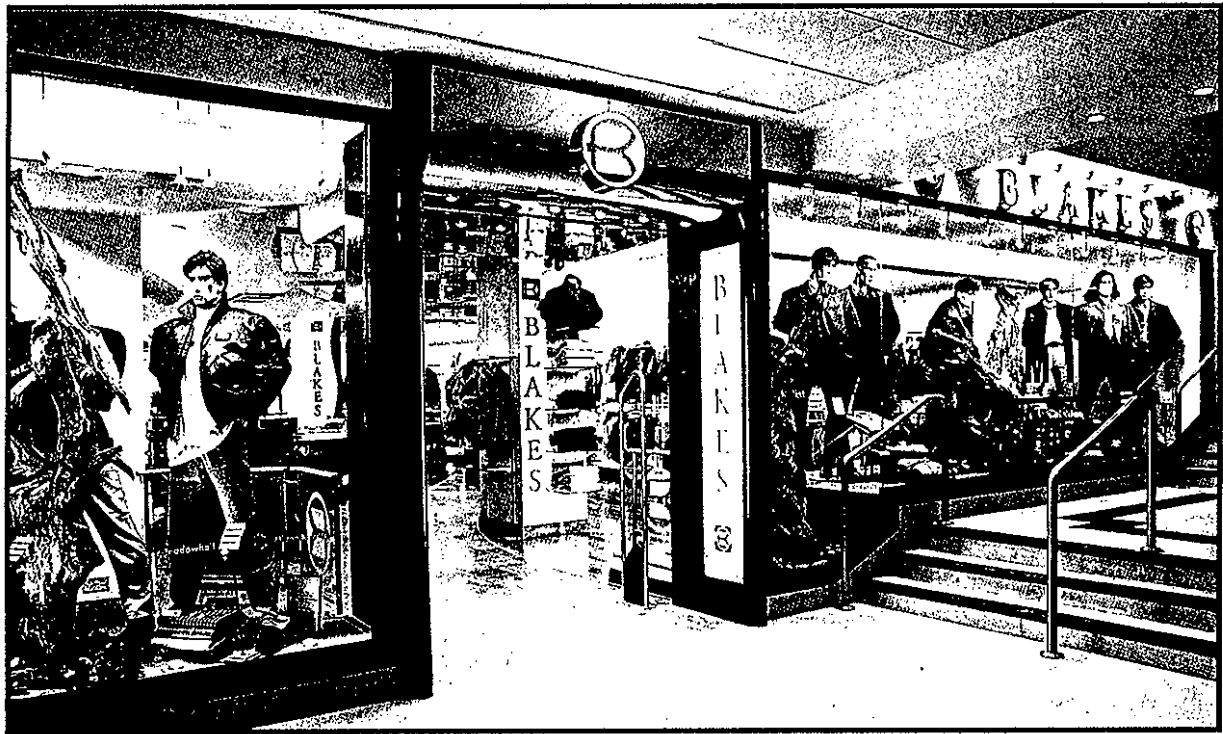
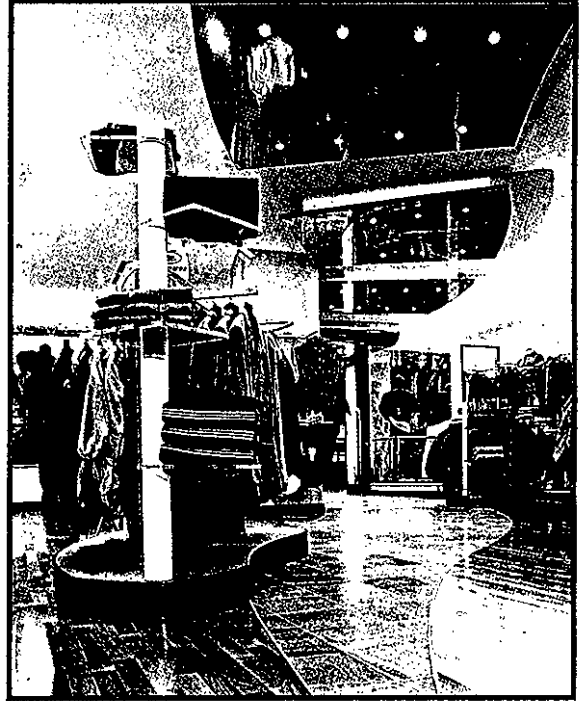
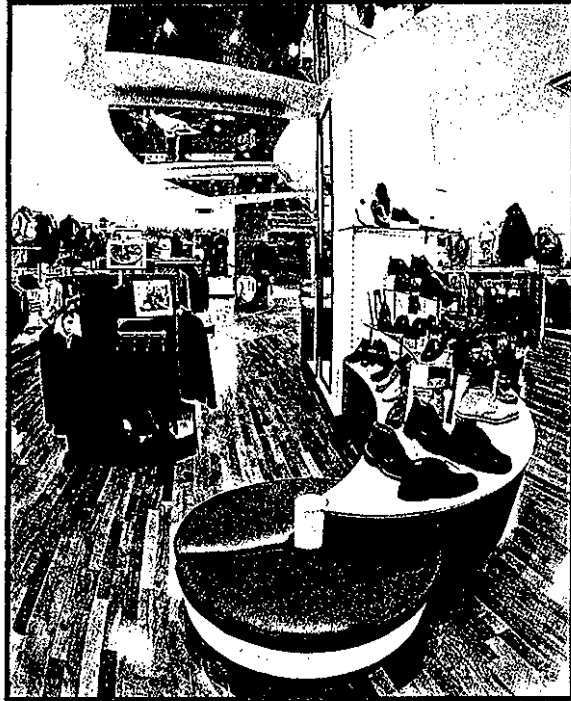


1998  
REPORT AND ACCOUNTS

3214950

# BLAKES

CLOTHING PLC



## CONTENTS

Directors and Advisers	2
Directors	3
Chairman's Statement	4
Unaudited Proforma Profit and Loss Account	6
Report of the Directors	7
Report of the Audit Committee	10
Report on Remuneration and Related Matters	11
Report of the Auditors	14
Consolidated Profit and Loss Account	15
Reconciliation of Movements in Shareholders' Funds	16
Consolidated Balance Sheet	17
Balance Sheet	18
Cash Flow Statement	19
Notes forming part of the Financial Statements	20
Notice of Meeting	29
Form of Proxy	31

## DIRECTORS AND ADVISERS

### Directors

N Kaye  
 P Kaye  
 D Petley  
 D Kaye  
 H Osmond\*  
 D Taylor\*  
 A McIntosh\*  
*\*Non-Executive Director*

### Secretary and registered office

D Petley  
 Unit 2  
 Olympic Business Centre  
 Paycocke Road  
 Basildon  
 Essex SS14 3EX

### Company number

3214950

### Nominated broker and nominated adviser

Wise Speke Limited  
 National House  
 36 St Ann Street  
 Manchester M60 2EP

### Auditors

BDO Stoy Hayward  
 8 Baker Street  
 London W1M 1DA

## DIRECTORS

The Board comprises:

**Neville Kaye, Executive Chairman**

Neville Kaye was recruited by a Hong Kong based investment company in 1972 to establish a menswear chain in the UK. In 1986 Mr Kaye led a buy-out of this business which subsequently became Blakes. He acted as managing director of Casanova Fashions Limited until May 1997, at which point he was appointed Executive Chairman of Blakes Clothing PLC.

**Paul Kaye, Managing Director**

Paul Kaye joined Casanova Fashions Limited in 1987 gaining experience in warehouse management, buying, store management and new store openings. In 1993 Mr Kaye directed his time to merchandising and buying and in 1995 took full control of that area. He was appointed Managing Director of Blakes Clothing PLC in May 1997.

**David Petley, ACA Finance Director**

David Petley qualified as a Chartered Accountant in 1985 having trained with BDO Stoy Hayward. For the four years to November 1991 he worked for Southend Property Holdings plc gaining experience of the retail property market. Since 1992 he has worked for a number of businesses including Select Industries plc and has been working for Casanova Fashions Limited since October 1996. He was appointed a director of Blakes Clothing PLC in May 1997.

**Dean Kaye, Personnel, IT and Property Director**

Dean Kaye graduated from Oklahoma University and Dundee University in Accountancy in 1992. Mr Kaye was appointed a director of Casanova Fashions Limited in 1989 and Blakes Clothing PLC in November 1997. He is responsible for personnel, information technology and property matters.

**Hugh Osmond, Non-Executive Director**

Hugh Osmond graduated from Oxford University in Medicine. In 1984 he founded his own computer software company which was sold to Quotient plc in 1990. He became a UK Associate of Axel Group, a Madrid based merchant bank in 1991 and then became a director of that company. He was involved in the reverse takeover of Star Computer Group plc by the companies now comprising Pizza Express plc and remains a non-executive director of that company. He is also a director of Punch Taverns Limited and Wellington Pub Co PLC which collectively own 2,300 public houses in the UK. He was appointed a director of Blakes Clothing PLC in July 1996.

**Daniel Taylor, Non-Executive Director**

Dan Taylor graduated from Stanford University. He joined First Boston, Inc., the American investment bank in 1984, and held the title of vice-president from 1986 until his departure in 1989. He is currently President and 50% owner of Victoria Asset Management Inc., a US based property investment company which he co-founded in 1989, and is currently in the process of disposing of its \$30 million portfolio. He was also the Chairman of Calidore Group plc, an AIM listed investment company. He was appointed a director of Blakes Clothing PLC in May 1997.

**Alan McIntosh, CA Non-Executive Director**

Alan McIntosh graduated from the University of Aberdeen with an MA in economics. He qualified as a Chartered Accountant with Deloitte & Touche and subsequently joined the corporate finance department of Hill Samuel. He left Hill Samuel in 1994 and has since worked with a number of private and public companies including Topps Tiles Plc where he is a non-executive director. He is also a director of Punch Taverns Limited and Wellington Pub Co PLC which collectively own 2,300 public houses in the UK. He was appointed a director of Blakes Clothing PLC in July 1997.

## CHAIRMAN'S STATEMENT

I am pleased to make my first full report to you since the admission of your Company's shares to the Alternative Investment Market of the London Stock Exchange on 6 August 1997 following the Company's acquisition of 100% of the issued share capital of Casanova Fashions Limited on 8 July 1997.

The consolidated results show the performance of the Company from 8 July 1997 to 31 January 1998. Proforma results for the year ended 31 January 1998 have been prepared to show the performance of the Company on an annualised basis.

### Proforma results

The proforma results for the year ended 31 January 1998 show sales growth on continuing activities of 18% to £10.7m (1997: £9.1m) and an operating profit on continuing activities of £1.10m (1997: £1.05m) despite an increase in overhead costs reflecting the Board's strategic decision to strengthen Blakes' infrastructure in order to provide a solid platform for future growth.

As described in our AIM Prospectus, we have now closed our loss-making, discount clearance outlet, "End of the Line", which was based in Croydon. The total cost of the closure to this year's profits was £177,000 comprising £85,000 of operating losses and a one off disposal cost.

Proforma profit before tax on continuing operations of £1.10m (1997: £1.05m) was in line with the latest broker's forecast. The business achieved a gross margin of 54% from its continuing operations. Proforma earnings per share were 6.1p compared with 6.9p last year.

In our trading statement in January, we announced that sales for Christmas 1997 did not match the exceptional performance of the previous year and like-for-like turnover therefore ended the year at the same level as for 1996.

The Board proposes to make a maiden final dividend payment of 1.0p per ordinary share to shareholders on the register as at 22 May 1998 on 31 July 1998. As stated in the AIM prospectus, the Board intends to pursue a progressive dividend policy with a ratio of approximately one-third to two-thirds in respect of the interim and final dividends in the current and future financial years.

### Operating review

The shop opening programme has been progressing well with 4 outlets opened during the period under review within prime centres near Leeds, Nottingham, Manchester (Arndale Centre) and Watford.

Since the year end, we have opened a 2,400 sq ft outlet in the new Cribbs Causeway shopping mall just outside Bristol and have further openings planned for September in Manchester (Trafford Centre) and in Brighton. Heads of agreement have also been reached to open outlets at retail centres in Braehead in Glasgow and Bluewater Park in Dartford which are scheduled to open in Spring 1999.

We outlined in the AIM Prospectus last August that we would be exercising a break clause in the lease of our Woking store in January 1998. We have taken this opportunity to relocate to new premises in the same centre and will re-open in July.

At the end of September, we moved to a new head office in Basildon which more than doubled our office and warehouse facilities. The move was successfully achieved with minimal disruption to trading. At the same time, we strengthened our buying department and regional management structure with the appointment of key personnel.

#### **Current trading and prospects**

We currently have two openings planned for this year in addition to the 16 outlets we already operate and the reopening of the relocated Woking shop. The new outlets are in prime retail centres across the UK which offer a high footfall and a sophisticated shopping environment. Position and price are keenly negotiated and the revised shop design complements our established retail format. We already have two further openings in position for Spring 1999 in key new shopping centres.

The new warehouse facilities in Basildon and the augmented management infrastructure give us the potential to support a significantly larger shop network. The Board intends to continue the controlled expansion of the Blakes concept where suitable units and prices can be negotiated.

The Company has now put in place the necessary infrastructure for its 3-year opening programme, including a new warehouse and appropriate central control functions. The Board believes that this extra overhead, in conjunction with the expectation of higher rent reviews at key premises, will affect profits growth in the current year. In addition, we do not foresee any like-for-like sales growth in the first half of 1998 as the same period in 1997 was significantly boosted by windfalls and lower interest rates.

Taking into account the above factors, the Board has taken a conservative approach to its 1998/99 budgets and is not anticipating an increase in profits in the current year. However, cashflow from the business continues to be strong and the Board believes that its strategy to invest in a firm foundation for major expansion and profits will be successful in the medium to long term.

Finally I would like to thank all BLAKES stores staff for their effort and enthusiasm, their work is much appreciated and is an important factor in our continued growth. Also my gratitude to our management team who ensure they live up to our mission statement with their dedication and enthusiasm.

"BLAKES - A TEAM COMMITTED TO  
QUALITY, MOTIVATION, SUPPORT  
AND SUCCESS"

N Kaye  
Chairman

24 June 1998

**UNAUDITED PROFORMA PROFIT AND LOSS ACCOUNT**

For the year ended 31 January 1998

	Year ended 31 January 1998			Year ended
	Continuing £'000	Discontinued £'000	Total £'000	31 January 1997 £'000
Turnover	10,717	161	10,878	9,064
Cost of sales	4,940	116	5,056	4,132
	5,777	45	5,822	4,932
Administrative expenses	4,677	130	4,807	3,882
Operating profit	1,100	(85)	1,015	1,050
Loss on disposal of discontinued operation	—	92	92	—
Profit/(loss) on ordinary activities before interest	1,100	(177)	923	1,050
Interest receivable			21	17
Interest payable			(7)	(23)
Profit on ordinary activities before taxation			937	1,044
Taxation on profits on ordinary activities			309	345
Profit on ordinary activities after taxation			628	699
Proforma earnings per share			6.1p	6.9p
Proforma diluted earnings per share			5.8p	6.5p

**Basis of preparation**

The proforma statement has been prepared on the assumption that Casanova Fashions Limited, (Blakes trading subsidiary company) has been a subsidiary of Blakes Clothing PLC for the two years ended 31 January 1998 which is consistent with information previously sent to shareholders. It also assumes that Blakes Clothing PLC will incur £10,000 of management expenses each year. The taxation charge is calculated by applying the effective tax rate of 33% for both years. The proforma earnings per share has been calculated using the profit after taxation and after deducting a £14,000 preference share apportionment for each year. The weighted average number of shares in issue has been assumed to be 9,984,800 being the number of shares in issue at 31 January 1998.

## REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements for the year ended 31 January 1998.

### Results and dividends

The profit and loss account for the Group is set out on page 15 and shows the profit for the year.

The Directors recommend a dividend of 1 pence per ordinary share.

### Principal activities, trading review and future developments

The Company acquired all the issued share capital of Casanova Fashions Limited on 8 July 1997.

The principal activity of the Group is that of menswear retailer. A full review of the Group's activities during the year and subsequent events is set out in the Chairman's statement.

### Directors

The Directors of the Company during the year and their beneficial interests in the ordinary share capital of the Company were:

		Ordinary shares of 10p each	
		31 January 1998	31 January 1997 or Date of appointment
N Kaye	(appointed 30 May 1997)	272,690	—
P Kaye	(appointed 30 May 1997)	15,662	—
D Petley	(appointed 30 May 1997)	34,480	—
D Kaye	(appointed 3 November 1997)	10,242	7,242
H Osmond		612,555	—
D Taylor	(appointed 30 May 1997)	103,450	—
A McIntosh	(appointed 8 July 1997)	398,480	—

No Directors remain as directors of Storedale plc, which held 20.03% of the Company's issued ordinary share capital at 31 January 1998.

### Substantial equity shareholdings

As at 24 June 1998 the Company has been notified by the following whose interests total 3% or more of the issued ordinary share capital of the Company.

	Ordinary shares of 10p each	
	Number of shares	Percentage
Storedale plc	1,970,000	19.73
Mid Ocean Securities Limited	1,599,463	16.02
L Johnson	894,114	8.95
Nat West Alliance Nominees Limited	381,836	3.82

## REPORT OF THE DIRECTORS

### Payment to creditors

The Group agrees a variety of terms and conditions for business transactions with its suppliers. Payment is then made in accordance with these terms, subject to the terms and conditions being met by the supplier.

The number of supplier days represented by trade creditors for the Group at 31 January 1998 was 33.

### Year 2000

We have contacted all of our clothing suppliers regarding the millennium problems requesting confirmation that they are Year 2000 compliant. As yet we have had no worrying responses, and do not envisage any.

As regards to ourselves we are currently in the process of testing all of our systems, even though the suppliers of our computer hardware and software have given us written assurances of the fact that they are Year 2000 compliant. We have not quantified the cost of testing our systems.

If there are any problems with any of our systems, this will be known within the next few months and rectified well in advance of the millennium.

There can be no absolute guarantee that the problem will have been eliminated in advance of the Year 2000, but we believe that our business is well advanced in this area.

### Corporate governance

The Group observes best practice with regard to corporate governance and has complied with all the applicable recommendations of the Cadbury Committee Code of Best Practice.

### Going concern

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### Directors' statement of internal control

The Directors are responsible for the Group's system of internal financial control. Any system of internal financial control can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group prepares regular management accounts, sales reports and other management information. There are established procedures for the consideration of all variances from the budgets by each Store Manager and the Executive Directors. Management information is monitored by the Board at each Board Meeting against previously agreed budgets.

The Audit Committee also monitors the effectiveness of the internal financial control systems.

The directors have considered the effectiveness of the system of internal control.

#### **Auditors**

BDO Stoy Hayward, who were appointed as auditors of the Company by the Directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

#### **Directors' responsibilities**

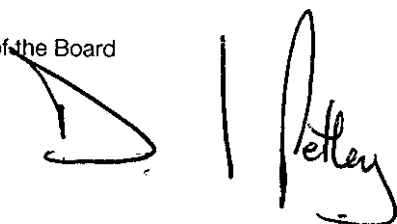
Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- 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; and
- 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.

By order of the Board

D Petley  
Secretary

A handwritten signature in black ink, appearing to read 'D Petley', is written over a horizontal line. The signature is stylized with a large 'D' and a cursive 'Petley'.

24 June 1998

## REPORT OF THE AUDIT COMMITTEE

The members of the Committee are:

D Taylor, *Chairman*

A McIntosh

H Osmond

In addition the Finance Director and a representative of the Group's Auditors attend meetings. All Executive Directors have the right to attend. The Committee normally meets three times a year, with further meetings as circumstances require.

The Committee considers the Group's half year and annual financial statements prior to their approval by the Board. It focuses on changes in accounting practice, major areas of judgement, the going concern assumption, and compliance with accounting principles and regulatory requirements.

The Committee examines whatever aspects of the Group's financial affairs and audit it considers appropriate. In conjunction with the Auditors it reviews the effectiveness of the Group's system of accounting and internal financial controls.

The Committee reviews the plans and findings of the Group's Auditors with them each year. It also makes recommendations as regards the appointment of the Group's Auditors.

D Taylor

*Chairman, Audit Committee*

24 June 1998

## REPORT ON REMUNERATION AND RELATED MATTERS

This report covers the remuneration of the Non-Executive as well as the Executive Directors. It therefore covers issues which are the concern of the Board as a whole in addition to those which are dealt with by the Remuneration Committee.

### **The Remuneration Committee**

The Remuneration Committee reviews, determines and recommends to the Board for approval the remuneration of all Executive Directors. It has established a framework of policies within which it sets the remuneration package for each Executive Director. The Remuneration Committee is made up wholly of Non-Executive Directors in accordance with the Greenbury recommendation as follows:

H Osmond, *Chairman*

D Taylor

A McIntosh

Throughout the year the Company has complied with the requirements of Section A of the Best Practice Provisions annexed to the Listing Rules of the London Stock Exchange as regards remuneration committees and remuneration policy.

### **Remuneration policies**

The objectives of the Remuneration Committee's policies are that Executive Directors should receive compensation which is appropriate to their scale of responsibility and performance, and which will attract, motivate and retain executives of the necessary calibre. The Committee also proposes the principles underlying remuneration for other senior executives. In framing the remuneration policies, the Remuneration Committee has given full consideration to the requirements set out in Section B of the Best Practice Provisions annexed to the Listing Rules of the London Stock Exchange.

The remuneration packages of N Kaye, P Kaye and D Kaye consist of annual salary, car benefits, reimbursement of reasonable mobile phone rental and call costs, clothing allowance, contributions to pension schemes, entitlement to life assurance and private medical insurance.

In addition, P Kaye and D Kaye are entitled to participate in the Company's Executive Share Option Scheme and to receive an annual cash bonus.

The remuneration package of D Petley consists of an annual salary, and participation in the Company's Executive Share Option Scheme.

### **Summary of remuneration**

#### **Salaries of Executive Directors**

In setting salary levels the Committee compared the remuneration packages with those for jobs of similar type and seniority in relevant similar companies. In selecting appropriate survey comparators consideration was given to the level of managerial responsibility, size of company and industry sector.

#### **Bonuses**

Annual cash bonuses are currently based on targets linked to financial performance measured by reference to annual profits. Annual cash bonuses do not form part of the pensionable earnings.

## REPORT ON REMUNERATION AND RELATED MATTERS

### *Pensions*

The Company has contributed to the Executive Directors' defined contribution pension scheme at a rate based on basic salary.

### *Share options*

The Executive Directors have options under the Executive Share Option Scheme.

### *Non-Executive Directors' remuneration*

None of the Non-Executive Directors has received remuneration, benefits or pension contributions during the year.

Non-Executive Directors are entitled to submit invoices to the Group in respect of fees for their services.

### *Service contracts*

The services of the Executive Directors are provided under contracts which may be terminated on one year's notice or less following an initial term of office as follows:

	Date initial term expires
N Kaye	9 July 1998
P Kaye	17 July 1998
D Kaye	17 July 1998
D Petley	10 July 1998

Non-Executive Directors are subject to retirement by rotation in accordance with the Company's Articles of Association.

### *Table of Directors' Remuneration*

	Salary and fees 1998 £'000	Benefits 1998 £'000	Bonus 1998 £'000	Total 1998 £'000	Total 1997 £'000	Contributions to defined contribution pension scheme 1998 £'000	1997 £'000
<b>Executive Directors</b>							
N Kaye	35	4	—	39	—	4	—
P Kaye	38	4	79	121	—	5	—
D Petley	15	—	—	15	—	—	—
D Kaye	7	1	20	28	—	1	—
<b>Non-Executive Directors</b>							
H Osmond	—	—	—	—	—	—	—
D Taylor	—	—	—	—	—	—	—
A McIntosh	—	—	—	—	—	—	—
	<u>95</u>	<u>9</u>	<u>99</u>	<u>203</u>	<u>—</u>	<u>10</u>	<u>—</u>

The Group only makes contributions to the defined contribution pension scheme of the above 3 Directors.

All of the above amounts were paid or provided by the Company's subsidiary undertaking, Casanova Fashions Limited.

### *Note*

The table is in the form recommended by the Greenbury Committee's Report dated 17 July 1995.

**Table of Directors' Share Options**

	Granted during and at end of year	Exercise price	Date from which exercisable	Expiry date
P Kaye	310,345	72.5p	6 August 1998	6 August 2004
D Petley	27,586	72.5p	6 August 2000	6 August 2004
D Kaye	241,380	72.5p	6 August 1998	6 August 2004

None of the Directors have exercised share options during the year.

The mid-market price of the Company's ordinary shares at 31 January 1998 was 49.5p per share and the range during the year was 49.5p to 80p per share.

**H Osmond**

*Chairman, Remuneration Committee*

24 June 1998

## REPORT OF THE AUDITORS

### To the shareholders of Blakes Clothing PLC

We have audited the financial statements on pages 15 to 28 which have been prepared under the accounting policies set out on page 20 and examined the amounts disclosed in respect of Directors' Remuneration and Share Options as set out in the Report of the Remuneration Committee on pages 11 to 13.

### Respective responsibilities of Directors and Auditors

As described on page 9 the Company's Directors are responsible for the preparation of the 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 and the Group as at 31 January 1998 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO Stoy Hayward  
Chartered Accountants  
and Registered Auditors  
London

24 June 1998

# CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 January 1998

		1998			
	Note	Continuing £'000	Discontinued £'000	Total £'000	1997 £'000
Turnover	1, 2	7,178	50	7,228	—
Cost of sales		3,373	43	3,416	—
Gross profit		3,805	7	3,812	—
Administrative expenses		2,877	43	2,920	—
Operating profit	4	928	(36)	892	—
Loss on disposal of discontinued operation		—	(92)	(92)	—
Profit/(loss) on ordinary activities before interest		928	(128)	800	—
Interest receivable				21	—
Interest payable	5			(8)	—
Profit on ordinary activities before taxation				813	—
Taxation on profits on ordinary activities	6			275	—
Profit on ordinary activities after taxation				538	—
Dividends and appropriations	7			107	—
Retained profit for the year	18			431	—
Earnings per share	8			9.3p	0.0p
Diluted earnings per share	8			8.7p	0.0p

All the above amounts relate to acquisitions during the period except for administrative expenses of £4,000.

Discontinued activities relate to the subsequent closure during the year of the Group's discount clearance outlet, "End of the Line".

All recognised gains and losses are included in the profit and loss account.

The notes on pages 20 to 28 form part of these financial statements.

# RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 31 January 1998

	1998		1997	
	Group £'000	Company £'000	Group £'000	Company £'000
Profit for the financial year	538	192	—	—
Dividends and appropriations	(107)	(107)	—	—
	<u>431</u>	<u>85</u>	<u>—</u>	<u>—</u>
New ordinary share capital subscribed (net of issue costs)	1,157	1,157	—	—
New preference share capital subscribed	200	200	—	—
Merger reserve arising on acquisition	5,000	—	—	—
Goodwill written off	(4,713)	—	—	—
Finance cost appropriation of non-equity interests	<u>7</u>	<u>7</u>	<u>—</u>	<u>—</u>
Net addition to shareholders' funds at 31 January	<u>2,082</u>	<u>1,449</u>	<u>—</u>	<u>—</u>

The notes on pages 20 to 28 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET**

At 31 January 1998

	Note	1998 £'000	1997 £'000
<b>Fixed assets</b>			
Tangible assets	10	2,042	—
<b>Current assets</b>			
Stocks	12	634	—
Debtors	13	434	—
Cash at bank and in hand		1,294	—
		<u>2,362</u>	—
<b>Creditors: amounts falling due within one year</b>	14	<u>1,835</u>	—
<b>Net current assets</b>		527	—
<b>Total assets less current liabilities</b>		<u>2,569</u>	—
<b>Creditors: amounts falling due after more than one year</b>	15	356	—
<b>Provision for liabilities and charges</b>	16	<u>131</u>	—
		<u>2,082</u>	—
<b>Capital and reserves</b>			
Called up share capital	17	1,198	—
Share premium account	18	159	—
Merger reserve	18	287	—
Profit and loss account	18	438	—
<b>Shareholders' funds</b>		<u>2,082</u>	—

Included within shareholders' funds of £2,082,000 is an amount £207,000 attributable to non-equity interests.

These financial statements were approved by the Board on 24 June 1998

N Kaye

P Kaye


 Directors

The notes on pages 20 to 28 form part of these financial statements.

**BALANCE SHEET**

At 31 January 1998

	Note	1998 £'000	1997 £'000
<b>Fixed assets</b>			
Investments	11	1,176	—
<b>Current assets</b>			
Debtors	13	405	—
Creditors: amounts falling due within one year	14	132	—
<b>Net current assets</b>		273	—
<b>Total assets less current liabilities</b>		1,449	—
<b>Capital and reserves</b>			
Called up share capital	17	1,198	—
Share premium account	18	159	—
Profit and loss account	18	92	—
<b>Shareholders' funds</b>		1,449	—

Included within shareholders' funds of £1,449,000 (1997: £Nil) is an amount £207,000 (1997: £Nil) attributable to non-equity interests.

These financial statements were approved by the Board on 24 June 1998

N Kaye

P Kaye

Directors

The notes on pages 20 to 28 form part of these financial statements.

**CASH FLOW STATEMENT**

For the year ended 31 January 1998

	Note	1998 £'000	1997 £'000
<b>Net cash inflow from operating activities</b>	19	1,966	—
<b>Returns on investments and servicing of finance</b>			
Interest received		21	—
Bank interest paid		(4)	—
Finance lease interest paid		(4)	—
		13	—
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(821)	—
Receipts from sale of tangible fixed assets		56	—
		(765)	—
<b>Acquisitions and disposals</b>			
Payments to acquire subsidiary undertakings		(176)	—
Net overdraft acquired with subsidiary	21, 22	(66)	—
		(242)	—
<b>Cash inflow before use of liquid resources and financing</b>		972	—
<b>Management of liquid resources</b>			
Payments to acquire short term deposits	20	(1,294)	—
		(1,294)	—
<b>Financing</b>			
Issue of shares		678	—
Issue costs		(321)	—
Repayment of capital portion of finance leases	20	(35)	—
		322	—
<b>Increase in cash in the year</b>	20	—	—
<b>Reconciliation of net cash flow to movement in net funds</b>	20		
Repayment of finance leases		35	—
Cash outflow from increase in liquid resources		1,294	—
		1,329	—
Finance leases acquired with subsidiary		(22)	—
Net finance leases		(84)	—
<b>Change in net funds and at end of year</b>		1,223	—

The notes on pages 20 to 28 form part of these financial statements.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of Blakes Clothing PLC and its subsidiary undertaking made up to 31 January 1998.

The acquisition method of accounting has been used to consolidate the results of the subsidiary undertaking in the Group financial statements from the date of its acquisition.

Goodwill on consolidation arises under acquisition accounting and represents the excess of purchase consideration over the fair value of the underlying net assets of subsidiaries at the time of acquisition. Goodwill arising on acquisitions is written off to reserves in the year in which it arises.

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax.

#### *Fixed asset investments*

Investments held as fixed assets are valued at cost less any provision for a permanent diminution in value.

#### *Stocks*

Stock is valued at the lower of cost and net realisable value.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Furniture, fixtures, fittings and pre-opening rents	- 10% straight line or over the remaining periods if the lease is shorter
Motor vehicles	- 25% per annum reducing balance

#### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

#### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives to enter into operating lease agreements are released to the profit and loss account on a straight line basis over the period of the lease or until the next rent review, whichever is the sooner.

#### *Pension costs*

The Group makes contributions to both the Group's defined contribution scheme and to employees' personal pension schemes. All contributions are charged to the profit and loss account in the year in which they become payable.

## 2 Turnover and operating profit

The turnover and profit before taxation is wholly attributable to the retailing of menswear in the United Kingdom.

## 3 Employees

	1998 £'000	1997 £'000
Staff costs (including Directors) consist of:		
Wages and salaries	882	—
Social security costs	88	—
Other pension costs	13	—
	<u>983</u>	<u>—</u>
	1998 Number	1997 Number
The average monthly number of employees, including Directors, during the period was:		
Administration	18	—
Selling	79	—
	<u>97</u>	<u>—</u>

## 4 Operating profit

	1998 £'000	1997 £'000
This is arrived at after charging:		
Rent on operating leases – land and buildings	1,062	—
– equipment	6	—
Auditors' remuneration – audit services	17	—
Depreciation	155	—
	<u>1,239</u>	<u>—</u>

## 5 Interest payable and similar charges

	1998 £'000	1997 £'000
Bank interest	2	—
Hire purchase interest	4	—
Other interest	2	—
	<u>8</u>	<u>—</u>

## 6 Taxation on profit from ordinary activities

	1998 £'000	1997 £'000
UK corporation tax	245	—
Transfer to deferred taxation	30	—
	<u>275</u>	<u>—</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 7 Dividends and appropriations

	1998 £'000	1997 £'000
Equity interests:		
Proposed dividend of 1p per ordinary share (1997: Nil)	100	—
Non-equity interests:		
Finance cost appropriations	7	—
	<u>107</u>	<u>—</u>

## 8 Earnings per share

The earnings per share is calculated by reference to the profit, after taxation and after preference share appropriations of £531,000 and the weighted average number of shares in issue during the year of 5,683,485. The fully diluted earnings per share are based on the share options, warrants and preference shares outstanding.

## 9 Blakes Clothing PLC - profit and loss account

The Company has taken advantage of the exemption allowed by Section 230 of the Companies Act 1985 from presenting its own profit and loss account. The profit for the year available before distributions dealt with in the financial statements of the Company was £192,000 (1997: Nil).

## 10 Tangible assets

	Furniture, fixtures and pre-opening rents £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>			
On acquisition of subsidiary	2,060	145	2,205
Additions	812	93	905
Disposals	—	(65)	(65)
At 31 January 1998	<u>2,872</u>	<u>173</u>	<u>3,045</u>
<b>Depreciation</b>			
On acquisition of subsidiary	836	27	863
Provided for the period	135	20	155
Disposals	—	(15)	(15)
At 31 January 1998	<u>971</u>	<u>32</u>	<u>1,003</u>
<b>Net book value</b>			
At 31 January 1998	<u>1,901</u>	<u>141</u>	<u>2,042</u>

The net book value of tangible fixed assets includes an amount of £94,000 (1997: Nil) in respect of assets held under finance leases. The related depreciation charge for the period was £9,000 (1997: Nil).

**11 Fixed asset investments**

	Group undertakings	
	1998	1997
	£'000	£'000
<b>Company</b>		
Cost		
Additions and at 31 January 1998	<u>1,176</u>	<u>—</u>

The Company owns 100% of the issued share capital of Casanova Fashions Limited, a company which is registered and operates in England, and whose principal activity is the retailing of menswear.

The consolidated financial statements of the Company include the results of this subsidiary.

**12 Stocks**

	1998		1997	
	Group £'000	Company £'000	Group £'000	Company £'000
Goods held for resale	<u>634</u>	<u>—</u>	<u>—</u>	<u>—</u>

In the Directors' opinion there is no significant difference between the replacement cost of stocks and the amounts stated above.

**13 Debtors**

	1998		1997	
	Group £'000	Company £'000	Group £'000	Company £'000
Prepayments	314	—	—	—
Other debtors	95	32	—	—
Amounts owed by Group undertakings	—	148	—	—
Dividends receivable	—	200	—	—
ACT recoverable	25	25	—	—
Amounts falling due within one year	<u>434</u>	<u>405</u>	<u>—</u>	<u>—</u>

**14 Creditors: amounts falling due within one year**

	1998		1997	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	761	7	—	—
Dividends	100	100	—	—
Creditors for taxation and social security	325	—	—	—
Corporation tax	340	25	—	—
Obligations under finance leases	40	—	—	—
Accruals and deferred income	269	—	—	—
	<u>1,835</u>	<u>132</u>	<u>—</u>	<u>—</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 15 Creditors: amounts falling due after more than one year

	1998		1997	
	Group £'000	Company £'000	Group £'000	Company £'000
Obligations under finance leases	31	—	—	—
Deferred income on lease incentives	325	—	—	—
	<u>356</u>	<u>—</u>	<u>—</u>	<u>—</u>
The obligations under finance leases are due as follows:				
Within one to two years	30	—	—	—
Within two to five years	1	—	—	—
	<u>31</u>	<u>—</u>	<u>—</u>	<u>—</u>

## 16 Deferred taxation

	1998		1997	
	Group Provided in accounts £'000	Company Provided in accounts £'000	Group Provided in accounts £'000	Company Provided in accounts £'000
Accelerated capital allowances	154	—	—	—
Short term timing differences	(23)	—	—	—
	<u>131</u>	<u>—</u>	<u>—</u>	<u>—</u>
				£'000

Deferred tax movements are:

Acquired with subsidiary undertaking (note 22)	101
Transfer from profit and loss account (note 6)	30

At end of year

131

There is no unprovided deferred tax.

## 17 Share capital

	1998		1997	
	Number	£'000	Number	£'000
Ordinary shares of £1 each	—	—	1,000	1
Ordinary shares of 10p each	15,000,000	1,500	—	—
Preference shares of £1 each	200,000	200	—	—
	<u>15,200,000</u>	<u>1,700</u>	<u>1,000</u>	<u>1</u>

## 17 Share capital continued

On 8 July 1997 the two ordinary shares of £1 each were subdivided into 20 ordinary shares of 10p each. Movement in the issued share capital is set out below:

		Ordinary shares of 10p each		Preference shares of £1 each	
		Number	£'000	Number	£'000
8 July 1997	Subdivision as described above	20	—	—	—
8 July 1997	Share for share acquisition of 100% of the issued share capital of Casanova Fashions Limited from Storedale plc	7,999,980	800	200,000	200
9 July 1997	Issue of ordinary shares pursuant to 200,000 Warrants exercised at a price of 25p per share	200,000	20	—	—
9 July 1997	Conversion of £350,000 of 7% unsecured subordinated loan stock 1998 at a price of 25p per share	1,400,000	140	—	—
10 July 1997	Issue of ordinary shares at a price of 72.5p per share	384,800	38	—	—
Allotted, called up and fully paid shares at 31 January 1998		9,984,800	998	200,000	200

The preference shares are convertible into ordinary shares, on a one for one basis, at any time following the publication of the statutory financial statements of the Company for the year ended 31 January 1998. Any preference shares not previously converted shall be redeemed at 115% at par value on 1 January 2000.

The preference shares do not carry the right to receive a dividend. Except in limited circumstances, preference shareholders are not entitled to vote at general meetings of the Company in respect of their holding of preference shares. Preference shareholders shall be entitled to receive payment in respect of their preference shares in priority to the holders of any other class of share on the distribution of the surplus assets of the Company in the event that assets are available for distribution amongst the members in a winding up of the Company or other return of capital by the Company.

The Company has granted options to acquire ordinary shares as follows:

Number of options granted	Normal date of exercise	Option price
712,071	1998-2004	72.5p

At 31 January 1998, there were in existence 500,000 warrants which will entitle the warrant holder to subscribe for 1 ordinary share per warrant at a price of 25p per share. Subscription rights on these warrants will expire on 31 December 2002.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 18 Reserves

	Share premium account £'000	Merger reserve £'000	Profit and loss account £'000
<b>Group</b>			
Retained profit for the year	—	—	431
Finance cost appropriation of non-equity interests	—	—	7
Premium on issue of shares	480	5,000	—
Issue costs	(321)	—	—
Goodwill written off	—	(4,713)	—
<b>At 31 January 1998</b>	<b>159</b>	<b>287</b>	<b>438</b>
		Share premium account £'000	Profit and loss account £'000
<b>Company</b>			
Retained profit for the year	—	—	85
Finance cost appropriations of non-equity interests	—	—	7
Premium on issue of shares	—	480	—
Issue costs	—	(321)	—
<b>At 31 January 1998</b>	—	<b>159</b>	<b>92</b>

## 19 Reconciliation of operating loss to net cash inflow from operating activities

	1998 £'000	1997 £'000
Operating profit	892	—
Increase in stock	(7)	—
Decrease in debtors	646	—
Increase in creditors	378	—
Depreciation	155	—
Profit on sale of fixed assets	(6)	—
Loss on disposal of discontinued activities	(92)	—
<b>Net cash inflow from operating activities</b>	<b>1,966</b>	<b>—</b>

## 20 Analysis of changes in net funds

	Cash flow £'000	Finance leases acquired with subsidiary £'000	Inception of finance leases (note 21) £'000	At 31 January 1998 £'000
Short term deposits	1,294	—	—	1,294
Finance leases	35	(22)	(84)	(71)
<b>Net funds</b>	<b>1,329</b>	<b>(22)</b>	<b>(84)</b>	<b>1,223</b>

## 21 Major non-cash transactions

During the year the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the finance leases of £84,000.

In addition, the Company acquired the entire share capital of Casanova Fashions Limited in a share for share exchange as disclosed in note 22 to these financial statements.

## 22 Purchase of subsidiary undertaking

On 8 July 1997 the Company acquired the entire share capital of Casanova Fashions Limited for 7,999,980 ordinary shares and 200,000 preference shares, giving rise to goodwill of £4,713,000. The fair value of Casanova Fashions Limited was assessed and no adjustments were found necessary.

	£'000
Net assets acquired:	
Fixed assets	1,342
Stock	627
Cash	(66)
Debtors	1,055
Creditors	(1,302)
Finance lease creditors	(22)
Corporation taxation	(70)
Deferred taxation	(101)
	<hr/>
	1,463
Purchased goodwill	4,713
	<hr/>
Purchase consideration	6,176
	<hr/>
Satisfied by:	
Issue of 7,999,980 ordinary shares at a fair value of 72.5p	5,800
Issue of 200,000 preference shares	200
Cash paid	176
	<hr/>
	6,176

The subsidiary acquired during the year contributed to all of the Group's cash flows except for £33,000 net operating outflow, £176,000 cash outflow to acquire the subsidiary and £357,000 net cash inflow from the issue of shares.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**22 Purchase of subsidiary undertaking continued**

The trading results and statement of recognised gains and losses of Casanova Fashions Limited for the period 1 April 1997 to 8 July 1997 and 14 months ended 31 March 1997 were as follows:

	1 April 1997 to 8 July 1997 £'000	14 months ended 31 March 1997 £'000
Sales	2,522	10,192
Operating profit	213	974
Profit before taxation	213	967
Taxation	69	351
Profit after taxation	144	616

There were no minority interests for the period. All recognised gains and losses are included in the profit after taxation for the period.

The subsidiary has been accounted for under the acquisition method of accounting.

**23 Commitments under operating leases**

As at 31 January 1998, the Company had annual commitments under non-cancellable operating leases as set out below:

	1998		1997	
	Land and buildings Group £'000	Company £'000	Land and buildings Group £'000	Company £'000
Operating leases which expire:				
In two to five years	95	—	—	—
Over five years	2,775	—	—	—
	<u>2,870</u>	<u>—</u>	<u>—</u>	<u>—</u>

The above figures excludes additional rent payable on certain leases calculated as a percentage of a stores turnover.

**24 Related party transactions**

On 8 July 1997 the Company acquired all the issued share capital of Casanova Fashions Limited from Storedale plc as disclosed in note 22.

The Group leases two properties from N Kaye, a director of the Group. The Group pays an annual rental charge on these properties of £55,000 per annum.

## NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Blakes Clothing PLC will be held at Forte Posthouse, Cranes Farm Road, Basildon, Essex SS14 3DG on Wednesday, 29 July 1998 at 10.00 a.m. when the following business will be conducted.

To consider as ordinary business and, if thought fit, to pass the following resolutions of which resolutions 11 and 12 will be proposed as special resolutions:

- 1 To receive and adopt the financial statements for the year ended 31 January 1998 and to receive the Directors' and Auditors' reports.
- 2 To declare a final dividend of 1p per ordinary share.
- 3 To re-appoint BDO Stoy Hayward as Auditors for the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.
- 4 To re-elect N Kaye as a Director.
- 5 To re-elect P Kaye as a Director.
- 6 To re-elect D Petley as a Director.
- 7 To re-elect D Kaye as a Director.
- 8 To re-elect H Osmond as a Director.
- 9 To re-elect A McIntosh as a Director.
- 10 To re-elect D Taylor as a Director.
- 11 THAT the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £501,520 provided that this authority shall expire on the date of the next Annual General Meeting or on the expiry of fifteen (15) months from the date of passing of this resolution (whichever shall be sooner), unless and to the extent that such authority is renewed prior to such date and save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
- 12 THAT subject to the passing of the previous resolution 11 the Directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority conferred by the previous resolution 11 as if section (1) of Section 89 of the said Act did not apply to any such allotment provided that;
  - 12.1 this power shall be limited to the allotment of equity securities during the period commencing on the date of the passing of this resolution and ending at the conclusion of the next Annual General Meeting of the Company or on the expiry of fifteen months whichever the sooner (but so that this power shall enable the Company to make offers or agreements which would or might require equity securities to be allotted after the expiry of this power); and

## NOTICE OF MEETING

- 12.2 the aggregate nominal value of the equity securities allotted under this authority shall not exceed £49,924 but for this purpose no account should be taken of any equity securities allotted pursuant to any employees' share scheme (as defined by the Companies Act 1985) operated by the company or any of its subsidiaries.
- 13 THAT the Company is hereby generally authorised to make market purchases (within the meaning of Section 163(3) Companies Act 1985) of ordinary shares of 10p each in the capital of the Company ("ordinary shares") provided that:

the maximum number of ordinary shares authorised to be acquired is 998,480 ordinary shares; the minimum price which may be paid for each ordinary share is 10p (exclusive of expenses); and

the maximum price (exclusive of expenses) which may be paid for each ordinary share is, in respect of a share contracted to be purchased on any day, an amount equal to 105 per cent. of the average of the middle market quotations of ordinary shares taken from the Daily Official List of London Stock Exchange Limited for the ten business days immediately preceding the day on which the contract of purchase is made.

This authority will (unless renewed) expire at the conclusion of the next Annual General Meeting of the Company held after the date on which this resolution is passed or, if earlier, fifteen (15) months from the date of the passing of this resolution.

The company may make a contract of purchase of ordinary shares under this authority before this authority expires which will or may be executed or partly after its expiration.

By order of the Board

**D Petley**  
Secretary

24 June 1998

*Registered Office:*  
Unit 2  
Olympic Business Centre  
Paycocke Road  
Basildon  
Essex SS14 3EX

### Notes:

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his place. A proxy need not be a member of the Company.
- (ii) A form of proxy is attached which should be completed and lodged at the offices of the Company's Registrars not later than 48 hours prior to the time of the Meeting.
- (iii) The following information which is available for inspection at the Registered Office of the Company during business hours from the date of this Notice until the date of the Annual General Meeting will also be available at the Meeting from 10.00 a.m. until the conclusion of the Meeting.
  - (a) particulars of transactions of the Directors in the shares of the Company; and
  - (b) copies of all service/consultancy agreements of the Directors with the Company or its subsidiary undertakings.

## FORM OF PROXY

## For use at the Annual General Meeting

I/We.....

of.....  
 being a member/members of Blakes Clothing PLC ("the Company") whose registered office is at Unit 2, Olympic Business Centre, Paycocke Road, Basildon, Essex SS14 3EX, hereby appoint the Chairman of the Meeting or

.....  
 as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Forte Posthouse, Cranes Farm Road, Basildon, Essex SS14 3DG, on Wednesday, 29 July 1998 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy to vote on the Resolutions as set out in the Notice convening the Annual General Meeting as follows:

Resolutions	For	Against
1 To adopt the financial statements for the year ended 31 January 1998 and to receive the Directors' and Auditors' Reports.	<input type="checkbox"/>	<input type="checkbox"/>
2 To declare a final dividend of 1p per ordinary share.	<input type="checkbox"/>	<input type="checkbox"/>
3 To re-appoint BDO Stoy Hayward as Auditors.	<input type="checkbox"/>	<input type="checkbox"/>
4 To re-elect N Kaye as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
5 To re-elect P Kaye as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
6 To re-elect D Petley as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
7 To re-elect D Kaye as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
8 To re-elect H Osmond as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
9 To re-elect A McIntosh as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
10 To re-elect D Taylor as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
11 To grant the Directors authority to allot relevant securities.	<input type="checkbox"/>	<input type="checkbox"/>
12 To empower the Directors to disapply statutory pre-emption rights.	<input type="checkbox"/>	<input type="checkbox"/>
13 To authorise the Company to purchase its ordinary shares.	<input type="checkbox"/>	<input type="checkbox"/>

Signature.....

Date.....1998

## Notes:

- Please indicate with an "X" in the spaces provided, how you wish your votes to be cast. If you do not indicate how your votes are to be cast the proxy will vote as he thinks fit or abstain.
- In the case of a corporation, this proxy must be executed under the Common Seal or under the hand of an Officer or duly authorised Attorney. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of votes of the other registered holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
- To be effective this form of proxy, and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited at the Company's registrars, KPMG, Festival Way, Stoke-on-Trent, Staffordshire ST1 5TA not less than 48 hours before the time of the meeting.
- Any alterations made to this form of proxy should be initialled.
- If you wish to appoint a proxy other than as above please delete the reference to the Chairman and insert instead the name of your proxy (who need not be a member of the Company) in the space provided. A proxy must attend the meeting in person to represent you.

First Fold

Third Fold (Tuck in)



KPMG

FREEPOST

Stoke on Trent

ST1 5BR

Second Fold

First Fold

# BLAKES

## CLOTHING PLC

### BRANCHES

Walworth Road, Walworth  
Riverdale, Lewisham  
Merryhill Centre, Dudley  
Lakeside Centre, West Thurrock  
Meadowhall Centre, Sheffield  
The Glades, Bromley  
Royal Victoria Place, Tunbridge Wells  
The Peacocks, Woking  
Bentalls Centre, Kingston-upon-Thames  
Whitgift Centre, Croydon  
New Street, Birmingham  
Silbury Arcade, Milton Keynes  
White Rose Centre, Leeds  
Victoria Centre, Nottingham  
Arndale Centre, Manchester  
Harlequin Centre, Watford  
Cribbs Causeway, Bristol

### OPENING SHORTLY

Trafford Park, Manchester  
Churchill Square, Brighton  
Braehead, Glasgow  
Bluewater Park, Dartford



### **Blakes Clothing PLC**

Unit 2, Olympic Business Centre, Paycocke Road, Basildon, Essex SS14 3EX  
Telephone 01268 527752, Fax 01268 522804