

WILH (Investments) plc

Directors' report and financial
statements

Registered number 04224010

13 September 2003

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Directors' report

The directors present their annual report and the audited financial statements for the period ended 13 September 2003.

Principal activity

The principal activity is that of an investment company.

Business review and future developments

During the period the main activity of the company was to hold shares in another group company and the directors anticipate that any future developments would be related to this activity.

Trading results, dividends and transfer to reserves

The profit and loss account for the period is set out on page 4. The loss on ordinary activities after taxation amounted to £227,000 (2002: £232,229).

No dividend is recommended for the period (2002: £nil).

Directors and directors' interests

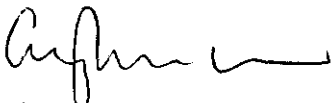
The directors who held office during the period were as follows:

Guy Weston
George Weston
Kate Hobhouse
Giles Ridley

Notification of an interest in the shares of this company and shares in or debentures of other group companies by Guy Weston, George Weston and Kate Hobhouse was not required because at the end of the period they were also directors of a company of which this company is a wholly owned subsidiary undertaking. Giles Ridley notified no interests.

No director had at any time during the period any material interest in a contract with the company, other than service contracts.

By order of the board



Guy Weston
Director

Weston Centre
Bowater House
68 Knightsbridge
London
SW1X 7LQ

20 January 2004

Statement of directors' responsibilities

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 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;
- 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 have a 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.



KPMG Audit Plc

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of WILH (Investments) plc

We have audited the financial statements on pages 4 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 the company's affairs at 13 September 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

20 January 2004

Profit and loss account

for the period ended 13 September 2003

	Note	Period ended 13 September 2003 £000	Period ended 14 September 2002 £000
Administrative expenses		-	(32)
Operating loss	3	-	(32)
Interest payable and similar charges	4	(326)	(300)
Loss on ordinary activities before taxation		(326)	(332)
Tax on loss on ordinary activities	5	98	100
Loss on ordinary activities after taxation		(228)	(232)
Retained loss brought forward		(232)	-
Retained loss carried forward		(460)	(232)

There are no recognised gains or losses other than the loss for the period.

There is no material difference between the company's results as reported and on an historical cost basis. Accordingly no note of historical cost profits and losses has been prepared.

The loss on ordinary activities before taxation relates entirely to continuing activities.

Balance sheet

at 13 September 2003

	<i>Note</i>	13 September 2003 £000	14 September 2002 £000
Fixed assets			
Investments	7	33,201	33,201
Creditors: amounts falling due within one year	8	(33,648)	(33,420)
Net current liabilities		(33,648)	(33,420)
Net assets		(447)	(219)
Capital and reserves			
Called up share capital	9	13	13
Profit and loss account		(460)	(232)
Shareholders' funds – equity interests	10	(447)	(219)

These financial statements were approved by the board of directors on 20 January 2004 and were signed on its behalf by:



Guy Weston
Director

Notes

(forming part of the financial statements)

Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared to 13 September 2003.

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A group cash flow statement is included in the financial statements of Wittington Investments Limited.

Under Financial Reporting Standard 8 the company is exempt from the requirement to disclose transactions with entities that are part of the group headed by Wittington Investments Limited, as 90% or more of the voting rights of the company are controlled within that group and the company was included in the consolidated financial statements of the group, which are publicly available.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts.

Fixed asset investments

Fixed asset investments are stated at cost less amounts written off in respect of any permanent diminution in value.

Income from fixed asset investments

Dividend income and interest is recognised on an accruals basis.

Operating loss

The operating loss is stated after charging:

	Period ended 13 September 2003 £000	Period ended 14 September 2002 £000
Auditors' remuneration	-	-

The auditors' remuneration is borne by the parent company.

Notes (continued)

Interest payable and similar charges

	Period ended 13 September 2003 £000	Period ended 14 September 2002 £000
Interest payable on other loans	326	300

Taxation

	Period ended 13 September 2003 £000	Period ended 14 September 2002 £000
Loss on ordinary activities before taxation	326	(332)
Loss on ordinary activities before tax at the standard rate of corporation tax of 30%	98	100

There are no factors expected to effect future tax charges.

Directors' emoluments

The directors received no emoluments in respect of their services to the company.

Fixed asset investments

<i>Shares in group undertakings</i>	£000
<i>Cost</i>	
At beginning and end of period	33,201
<i>Provisions</i>	
At start and end of period	-
<i>Net book value</i>	
At 13 September 2003	33,201
At 14 September 2002	33,201

Notes (continued)

Fixed asset investments (continued)

Subsidiary undertakings	Country of incorporation	Principal activity	Class and % of shares
Heals plc	England and Wales	Retailing	Ordinary 100%

Creditors

	13 September 2003 £000	14 September 2002 £000
Amounts falling due within one year		
Loans and other short term borrowings		
5% Loan notes 2006	5,781	6,618
Amounts owed to group undertakings:		
Parent and fellow subsidiary undertakings	27,867	26,802
	<u>33,648</u>	<u>33,420</u>

Called up share capital

	13 September 2003 £000	14 September 2002 £000
<i>Authorised</i>		
50,000 ordinary shares of £1 each	50	50
	<u>50</u>	<u>50</u>
<i>Amount of allotted, called up share capital which is partly paid</i>		
50,000 Ordinary shares of £1 each	13	13
	<u>13</u>	<u>13</u>

Notes (continued)

Reconciliation of movement in shareholders' funds

	13 September 2003 £000	14 September 2002 £000
Profit on ordinary activities after taxation	(228)	(232)
Net addition to shareholders' funds	(228)	(232)
Opening shareholders' funds	(219)	13
Closing shareholders' funds	(447)	(219)

Holding company

The ultimate holding company and controlling party as defined by Financial Reporting Standard 8, is Wittington Investments Limited which is incorporated in Great Britain and registered in England.

The group in which the results of the company are consolidated is that headed by Wittington Investments Limited which is incorporated in Great Britain and registered in England. The consolidated financial statements of Wittington Investments Limited are available to the public and may be obtained from Companies House.