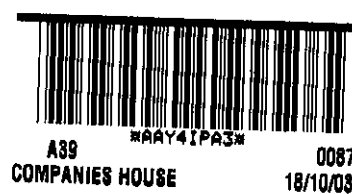


Wilkinson & Riddell (Holdings) Limited

Report and Accounts

30 June 2003

Registration number 35768



Wilkinson & Riddell (Holdings) Limited
Company Information

DIRECTORS

M Ellis

E Poleg (appointed 12 July 2002)

H J Rubenstein (resigned 26 September 2003)

C Wells (appointed 26 September 2003)

SECRETARY AND REGISTERED OFFICE

A Jagun

225 Bath Road

Slough

Berkshire

SL1 4AU

AUDITORS

PricewaterhouseCoopers LLP

Donington Court

Pegasus Business Park

Castle Donington

East Midlands

DE74 2UZ

REGISTRARS

Lloyds TSB Registrars

The Causeway

Worthing

West Sussex

BN99 6DA

Wilkinson & Riddell (Holdings) Limited
Directors' Report

The directors present their report and the audited accounts for the year ended 30 June 2003.

Review of the business

During the year the company received interest and paid the amounts due to its preference shareholders. The results for the year are shown in the profit and loss account on page 5. An amount of £30,000 (2002: £29,000) has been transferred to reserves.

Dividends

The directors do not recommend the payment of an ordinary dividend (2002: £nil).

Directors and directors' interests

The directors who served during the year are shown on page 1.

As at the balance sheet date, the directors had no interests required to be disclosed under Schedule 7 of the Companies Act 1985.

Combined Code

The company has preference shares quoted on the London Stock Exchange. Under paragraph 9.47 of the Listing Rules the company is exempt from the disclosures of Corporate Governance and directors' remuneration.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 17 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP as auditors. A resolution to re-appoint PricewaterhouseCoopers LLP will be proposed at the next annual general meeting.

On behalf of the board



M Ellis
Director

13 October 2003

Wilkinson & Riddell (Holdings) Limited
Statement of Directors' Responsibilities

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year. After making enquiries, the directors consider that, in preparing the accounts on pages 5 to 10, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all accounting standards which they consider to be applicable have been followed.

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 accounts 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.

Going Concern

The directors are satisfied that the company has adequate resources to continue to operate for the foreseeable future and have adopted the going concern basis in preparing the accounts.

On behalf of the board



M Ellis
Director

13 October 2003

Wilkinson & Riddell (Holdings) Limited
Independent Auditors' Report

Independent auditors' report to the members of Wilkinson & Riddell (Holdings) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards issued by the Auditing Practices Board and the Listing Rules of the Financial Services Authority. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 or the Listing Rules regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

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 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands
13 October 2003

Wilkinson & Riddell (Holdings) Limited
Profit and Loss Account
For the year ended 30 June 2003

	Notes	2003 £ 000	2002 £ 000
Interest receivable from group undertakings		36	36
Profit before taxation		<u>36</u>	<u>36</u>
Taxation	3	-	-
Profit after taxation		<u>36</u>	<u>36</u>
Preference dividend on non-equity shares - paid	4	(6)	(7)
Retained profit for the year	10	<u>30</u>	<u>29</u>
Basic and diluted earnings per ordinary share	5	1.1 p	1.0 p

The accompanying notes are an integral part of this profit and loss account.

All of the above results have arisen from continuing operations.

There are no recognised gains or losses in either year other than the profit for that year.

There is no difference between the profit before taxation and the retained profit for the years stated above, and their historical costs equivalents.

Wilkinson & Riddell (Holdings) Limited
Balance Sheet
As at 30 June 2003

	Notes	2003 £ 000	2002 £ 000
Current assets			
Debtors	6	2,556	2,526
Creditors: amounts falling due within one year	7	(1,104)	(1,104)
Net assets		<u>1,452</u>	<u>1,422</u>
Capital and reserves			
Called up share capital	9	826	826
Profit and loss account	10	626	596
Shareholders' funds:			
Equity interests		1,322	1,292
Non-equity interests		130	130
Shareholders' funds	11	<u>1,452</u>	<u>1,422</u>

The accounts on pages 5 to 10 were approved by the board of directors on 13 October 2003 and signed on its behalf by :

M Ellis
Director

The accompanying notes are an integral part of this balance sheet.

Wilkinson & Riddell (Holdings) Limited
Notes to the Accounts
At 30 June 2003

1 Accounting policies

Basis of accounting

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

Financial instruments

The company's exposure to financial risk is limited to exposure on group loans within the Courtaulds Textiles Limited group, of which it is a member. Details of this exposure are provided in note 8.

Taxation

Corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided on timing differences, arising from the different treatment for financial statements and taxation purposes of events and transactions recognised in the financial statements of the current and previous years. Deferred taxation is calculated at the rates at which it is estimated that it will arise. Deferred taxation balances are not discounted. Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that there will be suitable taxable profits against which deferred taxation assets can be recovered in future periods.

2 Directors' remuneration

None of the directors received any emoluments or accrued retirement benefits under defined contribution or defined benefit pension schemes in respect of their services to the company (2002: nil).

The average number of employees during the year was nil (2002: nil).

Auditors remuneration was borne by other group companies.

3 Taxation

No taxation has been provided due to group relief being made available from other group companies at no charge (2002: £nil).

4 Non-equity dividends

	2003 £ 000	2002 £ 000
Non-equity dividends on preference shares	6	7

5 Earnings per share

	2003 £ 000	2002 £ 000
Earnings for basic and diluted earnings per share	30	29
	2003 No.	2002 No.
Weighted average number of ordinary shares for basic and diluted basis	2,782,438	2,782,438

Wilkinson & Riddell (Holdings) Limited
Notes to the Accounts
At 30 June 2003

6 Debtors	2003	2002
	£ 000	£ 000
Amounts owed by group undertakings	<u>2,556</u>	<u>2,526</u>
7 Creditors: amounts falling due within one year	2003	2002
	£ 000	£ 000
Amounts owed to group undertakings	<u>1,104</u>	<u>1,104</u>

8 Financial instruments

a Approach to financial risk

The company has no exposure to fluctuations in exchange rates on currency.
Interest rate risk is insignificant and, as such, no derivative instruments are used to mitigate this exposure.

b Short term debtors and creditors

Short term debtors and creditors have been excluded from all the following disclosures, other than the currency risk disclosures.

c Interest rate risk profile of financial liabilities

The interest rate risk profile for the financial liabilities of the company was:

	Total	Fixed rate	Financial
Currency:	£ 000	financial	liabilities on
		liabilities	which no
		£ 000	interest is
			paid
			£ 000
Sterling			
- financial liabilities	1,104	-	1,104
- preference shares	130	130	-
At 30 June 2003	<u>1,234</u>	<u>130</u>	<u>1,104</u>
Sterling			
- financial liabilities	1,104	-	1,104
- preference shares	130	130	-
At 30 June 2002	<u>1,234</u>	<u>130</u>	<u>1,104</u>

The financial liabilities on which no interest is paid comprises an amount due to another Courtaulds Textiles group undertaking. This loan is due on demand and has no fixed maturity date. The 5% cumulative preference shares have no redemption entitlement other than on a winding up of the company. As such no weighted average period for which the rate is fixed is provided.

Wilkinson & Riddell (Holdings) Limited
Notes to the Accounts
At 30 June 2003

d Interest rate risk profile of financial assets

The company held the following financial assets:

Currency	Amounts owed by group undertakings	
	2003 £ 000	2002 £ 000
Assets - sterling	2,556	2,526

Within assets is an interest-bearing loan of £500,000 at 7.2% (2002: £500,000 at 7.2%). All other amounts are interest free. All amounts are due on demand ie within one year.

e Fair values of financial assets and liabilities

Set out below is a comparison by category of carrying values and fair values of the group's financial assets and financial liabilities:

	Carrying value £ 000	Fair value £ 000
Primary financial instruments held or issued to finance the Group's operations:		
At 30 June 2003		
Group loans - assets	2,556	2,556
Group loans - liabilities	(1,104)	(1,104)
Preference shares	(130)	(114)
At 30 June 2002		
Group loans - assets	2,526	2,526
Group loans - liabilities	(1,104)	(1,104)
Preference shares	(130)	(115)

The fair value of the group loans approximate to the carrying value due to the deemed short maturity of the instruments. The preference shares are listed on the London Stock Exchange, but the shares are rarely traded. The last publicly available valuation obtained at January 2003 was 88.2 pence (2002: May 2002 88.5 pence) and this has been used to calculate the fair value.

9 Share capital	2003 No.	2002 No.	2003 £ 000	2002 £ 000
Authorised :				
Ordinary shares of 25 pence each	2,880,000	2,880,000	720	720
5% cumulative preference shares of £1 each	130,000	130,000	130	130
			<u>850</u>	<u>850</u>
Allotted and fully paid :				
Ordinary shares of 25 pence each	2,782,438	2,782,438	696	696
5% cumulative preference shares of £1 each	130,000	130,000	130	130
			<u>826</u>	<u>826</u>

The preference shares are a non-equity interest and carry no voting rights. They are entitled to dividends half yearly provided the directors consider that the profits of the company justify such payment. On a winding up the surplus assets of the company available for distribution among the members shall be applied first in repaying the capital paid up on the preference shares together with any dividend arrears on those shares. The preference shares are not redeemable.

Wilkinson & Riddell (Holdings) Limited
Notes to the Accounts
At 30 June 2003

10 Profit and loss account	£ 000
At 30 June 2002	596
Retained profit for the year	30
	<hr/>
At 30 June 2003	626
	<hr/>

11 Reconciliation of movements in shareholders' funds	2003	2002
	£ 000	£ 000
Profit for the year	36	36
Dividends paid	(6)	(7)
Net addition to shareholders' funds	<hr/> 30	<hr/> 29
Opening shareholders' funds	1,422	1,393
	<hr/>	<hr/>
Closing shareholders' funds	1,452	1,422
	<hr/>	<hr/>

12 Cash flow statement

As described in note 13, the results of the company are included in the consolidated accounts of Sara Lee Corporation, which are publicly available. These accounts include a consolidated cash flow statement. The company has taken advantage of the exemption set out in FRS 1 Cash Flow Statements (Revised 1996) and has not presented a cash flow statement.

13 Ultimate parent undertaking

Wilkinson & Riddell (Holdings) Limited is wholly owned by Macanie (London) Limited, which in turn is a subsidiary undertaking of Sara Lee UK Holdings Plc, registered in England and Wales. At the balance sheet date the ultimate controlling party was Sara Lee Corporation, incorporated in the United States of America.

The company has taken advantage of the exemption conferred by FRS 8 Related Party Disclosures not to disclose transactions with fellow group undertakings, 90% or more of whose voting rights are controlled by the group.

The largest group in which the results of the company are consolidated as at the balance sheet date is that headed by Sara Lee Corporation, a company registered in the United States of America. The smallest group in which they are consolidated is that headed by Courtaulds Clothing Brands Limited, registered in England and Wales. Copies of the group accounts of Sara Lee Corporation and Courtaulds Clothing Brands Limited can be obtained from:

Sara Lee Corporation:	Courtaulds Clothing Brands Limited:
Sara Lee Corporation	Sara Lee UK Holdings Plc
Three First National Plaza	225 Bath Road
Chicago	Slough
Illinois 60602 4260	Berkshire
USA	SL1 4AU

14 Transactions with directors

No director has or has had during the year any material interest in any contract with the company requiring disclosure under section 232 of the Companies Act 1985.