

Wilkinson & Riddell (Holdings) Limited

Report and Accounts

**For The Eighteen Month Period Ended
30 June 2001**



Registration number 35768

Wilkinson & Riddell (Holdings) Limited
Company Information

DIRECTORS

S K Kelly (resigned 23 February 2000)
M A Clarke (appointed 23 February 2000; resigned 17 April 2000)
C T Cattermole (resigned 26 October 2000)
H J Rubenstein (appointed 26 October 2000)
R J Thompson (resigned 30 October 2000)
H B Duffy (appointed 30 October 2000)
J R Wilson (appointed 1 December 2000)

SECRETARY AND REGISTERED OFFICE

H J Rubenstein
225 Bath Road
Slough
Berkshire
SL1 4AU

AUDITORS

Arthur Andersen
Four Brindleyplace
Birmingham
B1 2HZ

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 eighteen month period ended 30 June 2001.

Review of the business

During the period the company's ultimate parent company was acquired by Sara Lee Acquisitions Limited.

The results for the period are shown in the profit and loss account on page 5. An amount of £45,000 (1999: £28,000) will be transferred to reserves.

Dividends

The directors do not recommend the payment of an ordinary dividend (1999: £nil).

Directors and directors' interests

The directors who served during the period 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

During the period, PriceWaterhouseCoopers resigned as auditors of the company and Arthur Andersen were appointed to fill the casual vacancy arising. A resolution confirming their appointment will be proposed at the annual general meeting.

On behalf of the board



J R Wilson
Director

28 December 2001

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.

Wilkinson & Riddell (Holdings) Limited

Auditors' Report

Independent Auditors' Report to the Shareholders of Wilkinson & Riddell (Holdings) Limited

We have audited the financial statements on pages 5 to 10. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

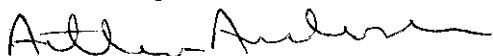
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 at 30 June 2001 and of the company's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

Four Brindleyplace
Birmingham
B1 2HZ

20 December 2001

Wilkinson & Riddell (Holdings) Limited
Profit and Loss Account
For the period ended 30 June 2001

	Notes	18 months ended 30 June 2001 £ 000	Year ended 31 December 1999 £ 000
Interest receivable from group undertakings		54	36
Profit before taxation		<u>54</u>	<u>36</u>
Taxation	3	-	(2)
Profit after taxation		<u>54</u>	<u>34</u>
Preference dividend on non-equity shares - paid	4	(9)	(6)
Retained profit for the year	10	<u>45</u>	<u>28</u>
Basic and diluted earnings per ordinary share	5	1.6 p	1.0 p

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

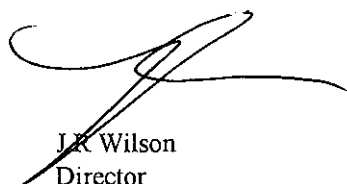
All of the above results have arisen from continuing operations.

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

Wilkinson & Riddell (Holdings) Limited
Balance Sheet
As at 30 June 2001

	Notes	30 June 2001 £ 000	31 December 1999 £ 000
Current assets			
Debtors	6	2,497	2,452
Creditors: amounts falling due within one year	7	(1,104)	(1,104)
Net assets		<u>1,393</u>	<u>1,348</u>
Capital and reserves			
Called up share capital	9	826	826
Profit and loss account	10	567	522
Shareholders' funds:			
Equity interests		1,263	1,218
Non-equity interests		130	130
Shareholders' funds	11	<u>1,393</u>	<u>1,348</u>

The accounts on pages 5 to 10 were approved by the board of directors on 20 December 2001 and signed on its behalf by :


J.R. Wilson
Director

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

Wilkinson & Riddell (Holdings) Limited
Notes to the Accounts
At 30 June 2001

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 7.

Taxation

UK 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 only in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that there is a reasonable probability that deferred taxation will crystallise in the foreseeable future.

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 (1999: nil).

The average number of employees during the period, including the directors, was 3 (1999: 3).

Auditors remuneration was borne by other group companies.

3 Taxation

	18 months ended 30 June 2001 £ 000	Year ended 31 December 1999 £ 000
UK corporation tax at 30% (1999: 30.25%).	-	2

4 Non-equity dividends

	18 months ended 2001 £ 000	Year ended 1999 £ 000
Non-equity dividends on preference shares at 5%	9	6

Wilkinson & Riddell (Holdings) Limited
Notes to the Accounts
At 30 June 2001

5 Earnings per share	18 months ended 30 June 2001 £ 000	Year ended 31 December 1999 £ 000
Earnings for basic and diluted earnings per share	<u>45</u>	<u>28</u>
	18 months ended 30 June 2001 No.	Year ended 31 December 1999 No.
Weighted average number of ordinary shares for basic and diluted basis	<u>2,782,438</u>	<u>2,782,438</u>
6 Debtors	30 June 2001 £ 000	31 December 1999 £ 000
Amounts owed by group undertakings	<u>2,497</u>	<u>2,452</u>
7 Creditors: amounts falling due within one year	30 June 2001 £ 000	31 December 1999 £ 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.

Wilkinson & Riddell (Holdings) Limited
Notes to the Accounts
At 30 June 2001

c Financial assets and liabilities

The company held the following financial assets and liabilities:

Currency	Amounts owed by/(to) group undertakings	
	30 June	31 December
	2001 £ 000	1999 £ 000
Assets - sterling	2,497	2,452
Liabilities - sterling	(1,104)	(1,104)

Within assets is an interest-bearing loan of £500,000 at 7.2% (1999: £500,000 at 7.2%). All other amounts are interest free. The fair value of these balances is equal to the carrying value. All amounts are due on demand ie within one year.

9 Share capital	30 June 2001 No.	31 December 1999 No.	30 June 2001 £ 000	31 December 1999 £ 000
Authorised :				
Ordinary shares of 25 pence each	2,880,000	2,880,000	720	720
5% cumulative preference shares of £1	130,000	130,000	130	130
			850	850
Allotted and fully paid :				
Ordinary shares of 25 pence each	2,782,438	2,782,438	696	696
5% cumulative preference shares of £1	130,000	130,000	130	130
			826	826

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.

10 Profit and loss account

	£ 000
At 1 January 2000	522
Retained profit	45
At 30 June 2001	567

Wilkinson & Riddell (Holdings) Limited
Notes to the Accounts
At 30 June 2001

11 Reconciliation of movements in shareholders' funds

	30 June 2001 £ 000	31 December 1999 £ 000
Profit for the period	54	34
Dividends paid	(9)	(6)
Net addition to shareholders' funds	45	28
Opening shareholders' funds	1,348	1,320
Closing shareholders' funds	1,393	1,348

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:

225 Bath Road
 Slough
 Berkshire
 SL1 4AU

14 Transactions with directors

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

15 Prior Year Comparatives

The 1999 figures relate to the period 1 January 1999 to 31 December 1999 and are shown for comparative purposes only. They were audited by a firm of chartered accountants other than Arthur Andersen.