

INNOVATIONS GROUP LIMITED

Registered no: 7 8 5 2 4

Report and accounts

for the year ended 31 March 2002



INNOVATIONS GROUP LIMITED

REPORT AND ACCOUNTS

For the year ended 31 March 2002

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INNOVATIONS GROUP LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company did not trade during the year. The directors do not recommend the payment of a dividend.

DIRECTORS

D. Greenfield	Resigned 9 July 2001
A.R. Turpin	Resigned 9 July 2001
R.W. Joyce	Resigned 9 July 2001
M.J.Hancox	Appointed 9 July 2001
C.J.Holmes	Appointed 9 July 2001

DIRECTORS' INTERESTS

No director had any beneficial interest in the shares of the Company. The interests of the directors, as defined by the Companies Act 1985, in the shares and share options of the ultimate parent company, GUS plc are as follows:

Shares and GUS Executive Share Option Scheme

Director	Shares		Share Options			
	At 31 March 2001 or date of appointment	At 31 March 2002	At 31 March 2001 or date of appointment	Options granted	Options exercised	At 31 March 2002
M Hancox	-	-	-	21,217	-	21,217
C J Holmes	352	352	8,118	5,574	-	13,692

No options lapsed during the year apart from those relating to directors who resigned. The options issued on 7 April 2000 can be exercised between 7 April 2003 and 6 April 2010 and have an exercise price of £3.757. The options issued on 11 June 2001 can be exercised between 11 June 2004 and 10 June 2011 with an exercise price of £6.127. Options may not be exercised unless, during a period of three consecutive financial years, Group earnings per share have increased by an average of at least 4% per annum more than the Retail Prices Index.

GUS Performance Share Plan

Director	Share Awards		
	At 31 March 2001 or date of appointment	Awards granted	Awards vested
M Hancox	-	10,608	-

An award under the GUS Performance Share plan takes the form of a deferred right to acquire shares at no extra cost to the participant. The shares awarded on 1 April 2000 become vested on 1 April 2004 at a price of £3.757. The shares awarded on 11 June 2001 become vested on 11 June 2004 at a price of £6.127. The vesting of these awards are subject to prescribed performance conditions.

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DIRECTORS' REPORT(Continued)

Save As You Earn Share Option Schemes

Director	Share Options			
	At 31 March 2001 or date of appointment	Options granted	Options exercised	At 31 March 2002
C J Holmes	-	2,522	-	2,522

The grant date of the SAYE scheme was 9 February 2001. The options can be exercised for the three-year scheme between 2 May 2004 and 1 November 2004. The options can be exercised for the five-year scheme between 2 May 2006 and 1 November 2006. The exercise price for both schemes is 384 pence per share.

ELECTIVE RESOLUTIONS

The company has passed elective resolutions to dispense with:

- a) the laying of reports and accounts before the company in general meetings;
- b) the holding of annual general meetings; and
- c) the obligation to appoint auditors annually,

until such time as individually revoked

BY ORDER OF THE BOARD

M H A Willis

M H A Willis

Secretary

Date *9 January 2003*

INNOVATIONS GROUP LIMITED

BALANCE SHEET

At 31 March 2002

	Notes	2002 £	2001 £
DEBTORS			
Amounts falling due within one year			
Amounts owing by ultimate parent undertaking		<u>351,586</u>	<u>351,586</u>
CAPITAL AND RESERVES			
Called up equity share capital	4	45,000	45,000
Reserves	5	306,586	306,586
EQUITY SHAREHOLDERS' FUNDS		<u>351,586</u>	<u>351,586</u>


Advantage has been taken of the audit exemptions available for dormant companies conferred by section 249AA(1) of the Companies Act 1985 on the grounds:

- (a) that for the year ended 31 March 2002 the company was entitled to the exemption from a statutory audit under section 249AA(1) of the Companies Act 1985; and
- (b) that no notice has been deposited under section 249B(2) of the Companies Act 1985 in relation to the financial statements for the financial year.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps proper accounting records which comply with section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of the affairs of the company at 31 March 2002 and of its profit or loss for the year then ended in accordance with the requirement of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements so far as applicable to the company.

Approved by the Board on 9 January 2003



M Hancox
Director

The notes on page 5 and 6 form part of these accounts

INNOVATIONS GROUP LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

1 ACCOUNTING POLICIES

a) Basis of accounting

The accounts are drawn up on the historical cost basis of accounting.

b) Cash flow statement

The company is a wholly owned subsidiary of GUS plc, and the cash flows of the company are included in the Consolidated Cash Flow Statement of GUS plc. Consequently the company is exempt under the terms of Financial Reporting Standard No.1 from publishing a cash flow statement.

2 PROFIT AND LOSS ACCOUNT

The company has not traded during the year. Therefore no profit and loss account is presented.

3 DIRECTORS' EMOLUMENTS

None of the directors received any emoluments for services to the company during the year ended 31 March 2002 (2001 - Nil).

4 CALLED-UP SHARE CAPITAL

	2002 £	2001 £
Authorised		
85,000 Ordinary shares @ £1 each	<u>85,000</u>	<u>85,000</u>
Allotted, called-up and fully paid :		
45,000 Ordinary shares @ £1 each	<u>45,000</u>	<u>45,000</u>

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NOTES TO THE ACCOUNTS(Continued)

	2002	2001
	£	£
5 RESERVES		
Capital reserve	118,233	118,233
Profit and loss account	188,353	188,353
	<u>306,586</u>	<u>306,586</u>

6 RELATED PARTY TRANSACTIONS AND BALANCES (FRS 8)

The company has taken advantage of the exemption allowed by FRS 8 not to disclose transactions with related company undertakings, 90% or more of whose voting rights are controlled within the group.

7 PARENT UNDERTAKINGS

The company's immediate parent undertaking is Reality Group Limited and its ultimate parent undertaking is GUS plc, a company registered in England and Wales. The consolidated accounts for the ultimate parent undertaking are available from its registered office at Universal House, Devonshire Street, Manchester, M60 1XA