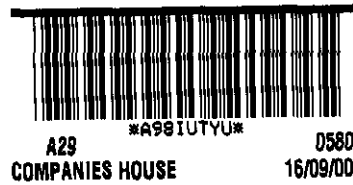


M.C. HITCHEN & SONS LIMITED
(Registered No. 144063)

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2000



M.C. HITCHEN & SONS LIMITED
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2000

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M.C. HITCHEN & SONS LIMITED**REPORT OF THE DIRECTORS**

The directors hereby submit their report, together with the financial statements of the company, for the year ended 30 April 2000.

ACTIVITIES AND BUSINESS REVIEW

The Company is an undisclosed agent of Littlewoods Retail Limited (formerly Littlewoods Home Shopping Group Limited). The directors do not expect these circumstances to change in the foreseeable future.

The Company did not trade during this or the preceding financial year and, accordingly, it made neither a profit nor a loss. Therefore, no profit and loss account is attached.

As the company was entirely inactive during the year, the balance sheet shows no change from the 1999 position. The company is likely to remain inactive in the year ending 30 April 2001.

DIRECTORS

The directors who held office during the year were:-

E P Edmonds

A K McGeorge (resigned 8 December 1999)

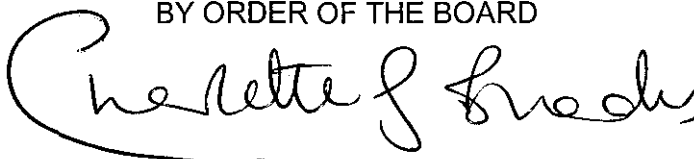
A. White (appointed 8 December 1999)

There are no interests of directors which are within the disclosure requirements of the Companies Act 1985 in relation to the company, in shares of the company, its holding company or subsidiaries of the holding company.

AUDITOR

A resolution to re-appoint KPMG Audit Plc as auditor of the company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



LIVERPOOL -

LITTLEWOODS SECRETARIAL SERVICES LIMITED
Secretary

M.C. HITCHEN & SONS LIMITED**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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 a 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 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.

**REPORT OF THE AUDITOR
TO THE MEMBERS OF
M.C. HITCHEN & SONS LIMITED**

We have audited the financial statements on pages 5 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the directors' report and, as described on page 3, 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. 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 as at 30 April 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

LIVERPOOL -

M.C. HITCHEN & SONS LIMITED

BALANCE SHEET AS AT 30 APRIL 2000

	Notes	30.4.00 £000	30.4.99 £000
CURRENT ASSETS			
Debtors: Amounts falling due within one year from group undertakings		5,063	5,063
NET ASSETS		<u>5,063</u>	<u>5,063</u>
CAPITAL AND RESERVES			
Called up share capital	2	3,825	3,825
Share Premium	2	529	529
Revaluation reserve	2	-	(131)
Profit and loss account	2	709	840
Equity Shareholders' Funds		<u>5,049</u>	<u>5,049</u>
Non Equity Shareholders' Funds		<u>14</u>	<u>14</u>
TOTAL SHAREHOLDERS' FUNDS		<u>5,063</u>	<u>5,063</u>

The financial statements on pages 5 to 8 were approved by the Board of Directors on
 22/8/00 and signed on its behalf by:



Director

M.C. HITCHEN & SONS LIMITED**STATEMENT OF ACCOUNTING POLICIES****PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

BASIS OF ACCOUNTING

The accounts have been prepared on the historical cost basis of accounting.

CASH FLOW

The company is a wholly owned subsidiary of The Littlewoods Organisation PLC; consequently, the company is exempt from the requirement of Financial Reporting Standard No. 1 (revised) to prepare a separate cash flow statement.

RELATED PARTY TRANSACTIONS

In accordance with the exemption conferred by Financial Reporting Standard No. 8, details of transactions with entities in the same group have not been disclosed.

M.C. HITCHEN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

ENDED 30 APRIL 2000

1. DIRECTORS AND EMPLOYEES

The company has no employees.

During the year none of the directors received emoluments in respect of their services to the company. Three directors (1999 - three directors) participated in the group defined benefit pension scheme.

2. CAPITAL AND RESERVES

2000	1999
£000	£000

a) CALLED UP SHARE CAPITAL

Authorised

16,000 7% Cumulative Preference shares @ £1 each	16	16
3,984,000 Ordinary shares @ £1 each	3,984	3,984
	<u>4,000</u>	<u>4,000</u>

Allotted, called up and fully paid

	2000	1999
	£000	£000
13,450 7% Cumulative Preference shares @ £1 each	14	14
3,811,200 Ordinary shares @ £1 each	3,811	3,811
	<u>3,825</u>	<u>3,825</u>

The holding company has waived its rights to receive the dividend on the 7% Cumulative Preference Shares.

The Preference Shares are redeemable at the company's option at par. There is no specified redemption date.

The shares are non voting and have a preferential right to return of capital on a winding up.

b) RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £000	Share Premium Account £000	Revalua- tion Reserve £000	Profit and Loss Account £000	2000 Total £000	1999 Total £000
1 May 1999	3,825	529	(131)	840	5,063	5,063
Transfer	-	-	131	(131)	-	-
At 30 April 2000	<u>3,825</u>	<u>529</u>	<u>-</u>	<u>709</u>	<u>5,063</u>	<u>5,063</u>

Following the transfer of the company's fixed assets to other group companies the revaluation reserve has been transferred to the profit and loss account.

M.C. HITCHEN & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR****ENDED 30 APRIL 2000****3 ULTIMATE HOLDING COMPANY AND PARENT UNDERTAKING OF LARGEST GROUP OF WHICH THE COMPANY IS A MEMBER**

The immediate holding company is Littlewoods Retail Limited, which is registered in England and Wales.

The ultimate holding company is The Littlewoods Organisation PLC which is registered in England and Wales.