

**HOLLAND & HOLLAND HOLDINGS
LIMITED**

Report and Financial Statements

31 December 2002

**Deloitte & Touche LLP
London**



HOLLAND & HOLLAND HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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HOLLAND & HOLLAND HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Hamilton
C G Heilbronn
R M Mitchell
A E Wertheimer

SECRETARY

B F Frost

REGISTERED OFFICE

31-33 Bruton Street
London W1J 6HH

BANKERS

HSBC Bank plc
Central Croydon
9 Wellesley Road
Croydon
Surrey CR9 2AA

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

HOLLAND & HOLLAND HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

ACTIVITIES

The principal activity of the company is to act as a holding company.

REVIEW OF RESULTS AND FUTURE PROSPECTS

The company did not trade during the year.

The directors do not anticipate any change in the company's activities in 2003.

DIVIDENDS

The directors do not recommend the payment of a dividend (2001 – £nil).

DIRECTORS AND THEIR INTERESTS

The directors who have served throughout the year are as follows:

M Hamilton
C G Heilbronn
R M Mitchell
A E Wertheimer

According to the register kept by the company for the purposes of Sections 324 to 328 of the Companies Act 1985, no director had any interests in the shares of the company, the ultimate parent company or fellow group undertakings at any time during the year.

Messrs. M Hamilton and A E Wertheimer retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

AUDITORS

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to reappoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



B F Frost
Secretary

29 October 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLLAND & HOLLAND HOLDINGS LIMITED

We have audited the financial statements of Holland & Holland Holdings Limited for the year ended 31 December 2002 which comprise the balance sheet and the related notes 1 to 8. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 the company's affairs as at 31 December 2002 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

30 October 2003

HOLLAND & HOLLAND HOLDINGS LIMITED

BALANCE SHEET

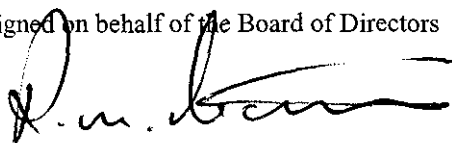
31 December 2002

	Note	2002 £'000	2001 £'000
FIXED ASSETS			
Investments	3	-	-
NET CURRENT ASSETS AND TOTAL ASSETS LESS CURRENT LIABILITIES		-	-
CREDITORS: amounts falling due after more than one year	4	(33)	(33)
TOTAL NET LIABILITIES		(33)	(33)
CAPITAL AND RESERVES			
Called up share capital	5	121	121
Share premium account		858	858
Profit and loss account		(1,012)	(1,012)
EQUITY SHAREHOLDERS' DEFICIT		(33)	(33)

The company did not trade during the year and made neither profit nor loss or any other recognised gain or loss during the current and preceding financial year.

These financial statements were approved by the Board of Directors on 29 October 2003.

Signed on behalf of the Board of Directors



R M Mitchell
Director

HOLLAND & HOLLAND HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention and have been drawn up on the going concern basis. The directors consider it appropriate to draw up the financial statements on the going concern basis as the group receives sufficient ongoing financial support from its intermediate parent company, Chanel Limited, to enable it to meet its obligations as they fall due.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Group accounts

The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare group accounts as it is the wholly owned subsidiary of Chanel Limited, a company incorporated in Great Britain, which prepares group accounts. The accounts present information about the company as an individual undertaking and not about its group.

2. PROFIT AND LOSS ACCOUNT

The company has had no accounting transactions and made neither a profit nor a loss in the current or preceding accounting year. The expenses of the company, including auditors' remuneration, have been borne by a subsidiary, Holland & Holland Limited, without any right of reimbursement. There are no employees so no remuneration has been paid to directors and employees. Accordingly no profit and loss account is presented. There have been no other recognised gains and losses or movements in shareholders' funds in either year.

HOLLAND & HOLLAND HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

3. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000	Other investments other than loans £'000	Total £'000
Cost at 1 January 2002 and 31 December 2002	75	2	77
Provision at 1 January 2002 and 31 December 2002	(75)	(2)	(77)
Net book value at 31 December 2002	-	-	-

Additional information regarding fixed assets investments:

Name	Nature of business	Country of incorporation, registration and operation	Class	Shares held %
Subsidiary undertakings:				
Holland & Holland Limited	Gun manufacture and retail of guns and accessories	Great Britain	Ord £1	100
*Holland & Holland Limited (s.a.r.l.)	Retail sale of guns and accessories	France	Ord FF100	100
W. & C. Scott (Gunmakers) Limited	Dormant	Great Britain	Ord £1	100
Rowland Ward of Bruton Street Limited	Dormant	Great Britain	Ord £1	100
*Sport in Scotland Limited	Dormant	Great Britain	Ord £1	100
*Holland & Holland Sporting Weapons Limited	Retail sale of guns and accessories	USA	Ord US\$1	100

* Shares are held by subsidiary undertakings.

4. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £'000	2001 £'000
Amounts owed to group undertakings	33	33

HOLLAND & HOLLAND HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2002

5. CALLED UP SHARE CAPITAL

	2002 £'000	2001 £'000
Authorised:		
1,500,000 ordinary shares of 10p each	150	150
Allotted, called up and fully paid:		
1,210,000 ordinary shares of 10p each	121	121

6. RELATED PARTY TRANSACTIONS

The company is a subsidiary undertaking within the Chanel Limited group, 100% of its voting rights are controlled within the group and the parent company's consolidated financial statements are publicly available. In accordance with Financial Reporting Standard (FRS) 8 therefore, disclosure is not required of transactions with entities that are part of the group or investees of the group qualifying as related parties.

7. ULTIMATE PARENT COMPANY

The directors regard the company's ultimate parent company to be Chanel International BV, a company incorporated in the Netherlands. The immediate parent company is Sidelock Limited, a company incorporated in Great Britain and registered in England and Wales. Chanel Limited, a company incorporated in Great Britain and registered in England and Wales, is the smallest and largest group which includes the company and its subsidiaries and for which group accounts are prepared. Copies of the group financial statements of Chanel Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

8. CASH FLOW STATEMENT

The company has taken advantage of the exemption in FRS1 as its intermediate parent company, Chanel Limited has included a consolidated cash flow statement with its own financial statements.