

TURNBULL & ASSER LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 2 FEBRUARY 2002

Registered Number: 1066321



TURNBULL & ASSER LIMITED DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements of Turnbull & Asser Limited ("the Company") and its subsidiaries ("the Group") for the 53 weeks ended 2 February 2002.

PRINCIPAL ACTIVITY

The principal activity of the company is the retailing of menswear clothing.

DIRECTORS AND THEIR INTERESTS

The present Directors of the Company are:

Mr A Fayed
Mr KT Williams
Mr S Quin
Mr M Stearn
Mrs H Mountford (appointed 1 April 2001)

The following Directors also held office during the year:

Mr I J Luxton (resigned 30 March 2001)
Mr B Goldsmith (resigned 31 January 2001)

In accordance with the Articles of Association, no Director is required to seek re-election at the forthcoming Annual General Meeting.

Mr A. Fayed has beneficial interest in the shares of the Company, comprising the entire issued share capital as at 2 February 2002 and at 27 January 2001. No other Directors in office during the year held any beneficial interest in the shares of the Company or of any of its subsidiary undertakings at 2 February 2002 or at 27 January 2001.

No Director has had a material interest, directly or indirectly, at any time during the year in any contract significant to the business of the Company or the Group.

REVIEW OF THE BUSINESS

Trade was varied in a year that commenced with the foot and mouth epidemic and included the events in New York on 11 September 2001. Turnover for the 53 weeks was £11.1 million compared to £11.7 million in the prior year. The directors are confident that improvements in business will be seen over the next year in what is hoped will be a more settled trading climate.

RESULTS AND DIVIDENDS

The Group profit on ordinary activities before taxation for the 53 weeks ended 2 February 2002 amounted to £0.648 million (2001: £1.206 million). No dividend was paid for the year (2001: £0.662 million). No final dividend is proposed and the result has been transferred to reserves.

THE ENVIRONMENT

The Company has continued to adopt policies and procedures that take account of the need to preserve and protect the environment. The Directors are committed to compliance with environmental best practice in all aspects of the business.

TURNBULL & ASSER LIMITED
DIRECTORS' REPORT (continued)

AUDITORS

PricewaterhouseCoopers have expressed willingness to continue in office as Auditors to the Company and a resolution proposing their re-appointment and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss for the financial year.

The Directors have prepared the financial statements on pages 4 to 19 on a going concern basis and consider that the Company and the Group have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements 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 and the Group keep accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

By Order of the Board.



S. Jerman
Secretary
20 June 2002

Registered Office
14 South Street
London
W1K 1DF

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TURNBULL & ASSER LIMITED

We have audited the financial statements on pages 4 to 19, which have been prepared under the historical cost convention, as modified by the revaluation of freehold property, and the accounting policies set out on pages 7 and 8.

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 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 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.

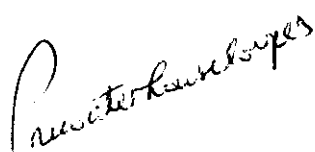
BASIS OF AUDIT OPINION

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 and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider 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 and of the Group as at 2 February 2002 and of the profit and cash flows of the Group for the 53 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

20 June 2002

1 Embankment Place
London
WC2N 6RH

TURNBULL & ASSER LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE 53 WEEKS ENDED 2 FEBRUARY 2002
(52 WEEKS ENDED 27 JANUARY 2001)

Note	53 Weeks 2002 £000	52 Weeks 2001 £000
Gross turnover	12,391	13,130
Value added tax	(1,320)	(1,457)
1 TURNOVER	<u>11,071</u>	<u>11,673</u>
Cost of sales	(6,021)	(6,511)
Gross profit	<u>5,050</u>	<u>5,162</u>
Distribution costs	(202)	(199)
Administrative expenses	(4,332)	(3,930)
2 Other operating income	87	133
3 OPERATING PROFIT	<u>603</u>	<u>1,166</u>
4 Net interest	45	40
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>648</u>	<u>1,206</u>
5 Taxation on profit on ordinary activities	(189)	(383)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	<u>459</u>	<u>823</u>
6 Dividends paid	-	(662)
19 Retained profit for the financial year	<u><u>459</u></u>	<u><u>161</u></u>

Statement of total recognised gains and losses for the 53 weeks ended 2 February 2002

	2002 £000	2001 £000
Retained profit for the financial year	459	161
Unrealised surplus on revaluation of freehold property	<u>20</u>	<u>-</u>
Total recognised gains and losses	<u><u>479</u></u>	<u><u>161</u></u>

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and the historical cost equivalents.

All profits in the period arose from continuing operations.

The notes on pages 9 to 19 form part of these accounts.

TURNBULL & ASSER LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 2 FEBRUARY 2002

Note		GROUP		COMPANY	
		2002 £000	2001 £000	2002 £000	2001 £000
	FIXED ASSETS				
8	Tangible assets	2,836	1,456	2,836	1,456
9	Investments	-	-	12	12
		<u>2,836</u>	<u>1,456</u>	<u>2,848</u>	<u>1,468</u>
	CURRENT ASSETS				
10	Stocks	2,906	2,481	2,906	2,481
11	Debtors	1,184	1,470	1,195	1,481
	Cash at bank and in hand	604	547	593	536
		<u>4,694</u>	<u>4,498</u>	<u>4,694</u>	<u>4,498</u>
12	CREDITORS : amounts falling due within one year	(1,282)	(1,221)	(1,293)	(1,232)
	NET CURRENT ASSETS	<u>3,412</u>	<u>3,277</u>	<u>3,401</u>	<u>3,266</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES	<u>6,248</u>	<u>4,733</u>	<u>6,249</u>	<u>4,734</u>
13	CREDITORS : amounts falling due after more than one year	(1,046)	(10)	(1,046)	(10)
	PROVISION FOR LIABILITIES AND CHARGES				
15	Deferred taxation	(20)	(20)	(20)	(20)
		<u>5,182</u>	<u>4,703</u>	<u>5,183</u>	<u>4,704</u>
	CAPITAL AND RESERVES				
16	Called up share capital	850	850	850	850
17	Capital redemption reserves	30	30	30	30
18	Revaluation reserve	20	-	20	-
19	Profit and loss account	4,282	3,823	4,283	3,824
		<u>5,182</u>	<u>4,703</u>	<u>5,183</u>	<u>4,704</u>
20	SHAREHOLDERS' FUNDS				
	-Equity	52	47	52	47
	-Non Equity	5,130	4,656	5,131	4,657
		<u>5,182</u>	<u>4,703</u>	<u>5,183</u>	<u>4,704</u>

Approved by the Board on 20 June 2002


K.T. Williams
Director

The notes on pages 9 to 19 form part of these accounts.

TURNBULL & ASSER LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE 53 WEEKS ENDED 2 FEBRUARY 2002

Note	2002 £000	2001 £000
25		
NET CASH INFLOW FROM OPERATING ACTIVITIES	727	927
RETURNS ON INVESTMENTS & SERVICING OF FINANCE		
Bank interest received	45	42
Interest paid	-	(2)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>45</u>	<u>40</u>
TAXATION		
Corporation tax paid	(367)	(477)
Advanced corporation tax - refund	64	-
TAXATION PAID	<u>(303)</u>	<u>(477)</u>
CAPITAL EXPENDITURE		
Purchase of tangible fixed assets	(1,612)	(501)
Proceeds on sale of tangible fixed assets	-	2
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(1,612)</u>	<u>(499)</u>
EQUITY DIVIDENDS PAID	-	(662)
FINANCING		
Bank loan taken out in the year	1,200	-
INCREASE/(DECREASE) IN CASH IN THE PERIOD	<u>57</u>	<u>(671)</u>
ANALYSIS OF CHANGES IN NET FUNDS:		
OPENING NET FUNDS	547	1,218
Increase/(Decrease) in cash	57	(671)
CLOSING NET FUNDS	<u>604</u>	<u>547</u>

TURNBULL & ASSER LIMITED ACCOUNTING POLICIES

BASIS OF ACCOUNTS PREPARATION

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of the Group's property, in accordance with the accounting policies set out below and applicable accounting standards.

CHANGES IN ACCOUNTING POLICIES

In November 2000 the Accounting Standards Board issued FRS 17, 'Retirement Benefits'. The Group has made disclosures under the transitional rules of FRS 17 in these financial statements.

In December 2000 the Accounting Standards Board issued FRS 19, 'Deferred Tax' which the Group has adopted in the financial statements. There was no effect on the financial statements of the adoption of FRS 19.

FRS 18 'Accounting policies' became mandatory for accounting policies ending on or after 22 June 2001. The standard requires that the Group selects the most appropriate accounting policies. The directors have reviewed the accounting policies and concluded that they consider them to be the most appropriate.

BASIS OF CONSOLIDATION

These consolidated financial statements include the results of the Company and its subsidiary undertakings for the period to the nearest Saturday to 31 January. In the current financial period this represents the 53 weeks ended 2 February 2002.

TANGIBLE FIXED ASSETS

The freehold property is stated at valuation. All other fixed assets are stated at cost.

FIXED ASSET INVESTMENTS

Fixed asset investments are held at cost less any provision required for impairment in value.

DEPRECIATION OF TANGIBLE FIXED ASSETS

Depreciation is provided by the Group in order to write down to estimated residual value, if any, the cost or valuation of tangible fixed assets over their estimated useful lives by equal annual instalments, as follows:

Freehold property	75 years
Long leasehold	Remaining period of lease
Short leaseholds	Remaining period of lease
Fixture and fittings	Over 3 – 10 years
Vehicles and equipment	Over 4 – 10 years

STOCK

Stock is stated at the lower of cost calculated on a weighted average basis and net realisable value.

OPERATING LEASES

Rentals payable under operating leases are charged to the profit and loss accounts on a straight-line basis over the term of the lease.

TURNBULL & ASSER LIMITED
ACCOUNTING POLICIES (continued)

DEFERRED TAXATION

Full provision is made for deferred taxation, at the rates of tax prevailing at the year-end on all significant timing differences arising from the recognition of items for taxation purposes in different periods from those in which they are included in the Group Accounts.

PENSIONS COSTS

The Company participates in the Harrods Group defined benefit scheme on behalf of the employees and directors. Retirement benefits are funded by contributions from the Company and employees. Payments are made to a pension trust, which is financially separate from the Company, in accordance with calculations made periodically by consulting actuaries and an allocation determined by Harrods Group. Contributions are charged to the profit and loss account on a basis that spreads the expected costs of providing pensions over the average remaining service lives of employees in the scheme. The assets of the pension scheme are held and administered by trustees appointed under the scheme's rules as a single scheme. As there is more than one employer participating in the scheme Turnbull & Asser Limited is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. On adoption of FRS 17 Turnbull & Asser Limited will therefore account for pension contributions as if their section of the group scheme were a defined contribution scheme because they are within a multi-employer scheme. Contributions to defined contribution pension plans on behalf of a director are charged to the profit and loss account as incurred.

FOREIGN CURRENCY

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end and transactions during the year are translated at the actual rate on the day of the transaction. Exchange differences arising from the translation of the opening net investment in a subsidiary to the closing rate are recorded as a movement on reserves. All other foreign exchange gains and losses are dealt with in the profit and loss account.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
53 WEEKS ENDED 2 FEBRUARY 2002

	2002 £000	2001 £000
1	<p>TURNOVER is the amount receivable, excluding VAT, for goods and services supplied to customers in the following locations:</p>	
	United Kingdom	8,733
	America	9,604
	Continental Europe	1,328
	Japan	816
	Other	662
	<u>80</u>	<u>112</u>
	<u>11,071</u>	<u>11,673</u>
	All operations are based in the United Kingdom.	
2	OTHER OPERATING INCOME	
	Royalty income	87
	<u>87</u>	<u>133</u>
3	OPERATING PROFIT – is stated after charging/(crediting):	
	Depreciation of tangible fixed assets	252
	Profit on disposal of tangible fixed assets	241
	Legal fees	-
	Auditors' remuneration	(2)
	Foreign exchange loss/(profit)	62
	Rentals paid under operating leases:	108
	• Land and buildings	22
	• Plant and machinery	23
	Release of stock provision	1
	<u>(139)</u>	<u>(27)</u>
	<u>466</u>	<u>458</u>
	<u>50</u>	<u>46</u>
	<u>(139)</u>	<u>-</u>
	The audit fee for the parent company is £22,000 (2001: £22,000). Included in legal fees is a non audit fee of £12,000 (2001: £37,500) which was paid to PwC.	
4	NET INTEREST	
	Bank interest receivable	43
	Other	42
	<u>2</u>	<u>(2)</u>
	<u>45</u>	<u>40</u>
5	TAXATION	
	UK Corporation tax on current year profits at 30% (2001: 30%)	179
	Prior year under-accrual	10
	<u>189</u>	<u>383</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
53 WEEKS ENDED 2 FEBRUARY 2002

	2002	2001
	£000	£000
6 DIVIDENDS		
ORDINARY SHARES OF US 0.001 CENTS		
Interim dividend of 11.6 cents (paid)	-	655
ORDINARY SHARES OF £0.10 EACH		
Interim dividend of .08 pence (paid)	-	7
	<u>-</u>	<u>662</u>
	<u>=====</u>	<u>=====</u>
7 INFORMATION REGARDING DIRECTORS AND EMPLOYEES		
Staff costs:		
Wages and salaries	2,808	2,952
Social security costs	206	223
Other pension costs	<u>200</u>	<u>202</u>
	<u>3,214</u>	<u>3,377</u>
	<u>=====</u>	<u>=====</u>
	2002	2001
The average number of employees during the period was as follows:		
United Kingdom	<u>174</u>	<u>197</u>
	<u>=====</u>	<u>=====</u>
	2002	2001
	£000	£000
Directors' remuneration:		
Emoluments excluding pension contributions	<u>283</u>	<u>262</u>
	<u>=====</u>	<u>=====</u>
Aggregate value of contributions paid to money purchase schemes	<u>3</u>	<u>3</u>
	<u>=====</u>	<u>=====</u>
Highest paid Director:		
Emoluments excluding pension contributions	<u>96</u>	<u>87</u>
	<u>=====</u>	<u>=====</u>
Company pension contribution	<u>8</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>
Accrued pension under defined benefit scheme	<u>1</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
53 WEEKS ENDED 2 FEBRUARY 2002

7 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

NUMBER OF DIRECTORS TO WHOM RETIREMENT BENEFITS ARE ACCRUING UNDER:	2002 Number	2001 Number
Money purchase schemes	1	1
Defined benefit schemes	2	1
	<u>3</u>	<u>2</u>
	=====	=====

PENSIONS

During the year, the company participated in the Harrods Group Pension Plan, which operated as a defined benefit group pension scheme in the United Kingdom.

The member companies, including Turnbull & Asser Limited, pay such contributions to the Plan as are required in order to fund benefits for the members and pensioners. The assets of the Plan are held in trust separately from those of the member companies.

The last formal actuarial valuation of the Group Pension Plan, as at 6 April 1999, was performed by qualified independent actuaries who are partners of Bacon & Woodrow, Consulting Actuaries. The valuation used the projected unit method, and adopted the following actuarial assumptions:

Investment return	7.50 per cent per annum compound
Pension increases	3.25 per cent per annum compound
General increase in pensionable earnings	5.00 per cent per annum compound
UK equity net dividend yield for asset valuation purposes	2.73 per cent per annum compound

The market value of assets (excluding AVCs) held within the Pension Plan as at 6 April 1999 was £180.7 million. At this date, the actuarial value was sufficient to cover 107.0% of the benefits that had accrued to members, after allowing for the expected future increases in earnings. The actuarial surplus is being spread over the estimated service life of current employees of 15 years on a straight-line basis. It is being used to allow the Company to contribute at the rate of 7.9% of members' salaries to 5 April 2001 and 10% of members' salaries from 6 April 2001 to 31 December 2003.

TURNBULL & ASSER LIMITED
NOTES TO FINANCIAL STATEMENTS
53 WEEKS ENDED 2 FEBRUARY 2002

7 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

The total surplus/(liability) determined at the valuation date has been allocated to the member companies by the Directors of Harrods Holdings Limited on a basis that is consistent with that adopted in prior years.

The regular pension cost charged to the profit and loss account is based on figures calculated for all member companies as a whole. Any variation is spread over the average remaining working lives of employees who are members of the Plan.

The Company's pension charge for the year to 2 February 2002 is as follows:

	2002	2001
	£000	£000
Regular cost	218	134
Variation	(18)	68
Net pension charge	<u>200</u>	<u>202</u>

The company and group pension (liability)/prepayment is as follows:

Opening balance	(10)	58
Contributions paid	164	134
Charge to profit and loss account	(200)	(202)
Closing balance	<u>(46)</u>	<u>(10)</u>

The pension liability closing balance is included in creditors: amounts falling due after more than one year.

TURNBULL & ASSER LIMITED
NOTES TO FINANCIAL STATEMENTS
53 WEEKS ENDED 2 FEBRUARY 2002

8 TANGIBLE FIXED ASSETS

Group and Company:	Total	Freehold Land and Buildings	Leasehold Land and Buildings	Fixtures Fittings and Equipment
	£000	£000	£000	£000
Opening cost or valuation	2,840	80	43	2,717
Additions	1,612	-	1,472	140
Adjustment arising on revaluation	20	20	-	-
Closing cost or valuation	<u>4,472</u>	<u>100</u>	<u>1,515</u>	<u>2,857</u>
Opening aggregate depreciation	1,384	1	27	1,356
Charge for the period	252	1	6	245
Closing aggregate depreciation	<u>1,636</u>	<u>2</u>	<u>33</u>	<u>1,601</u>
Closing net book value	<u>2,836</u>	<u>98</u>	<u>1,482</u>	<u>1,256</u>
Opening net book value	<u>1,456</u>	<u>79</u>	<u>16</u>	<u>1,361</u>

The net book value of leasehold land and buildings comprises:

	2002 £000	2001 £000
Long leasehold	1,472	-
Short leasehold	<u>10</u>	<u>16</u>
	<u>1,482</u>	<u>16</u>

The freehold property was valued by Healey & Baker, International Real Estate consultants, on 14 August 2001 on the basis of open market value for existing use in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The historic cost of the freehold property cannot be accurately determined and therefore has not been stated.

TURNBULL & ASSER LIMITED
NOTES TO FINANCIAL STATEMENTS
53 WEEKS ENDED 2 FEBRUARY 2002

	2002	2001
	£000	£000
9 FIXED ASSET INVESTMENTS (Company)		
Shares in Group undertakings:		
Opening cost	31	31
Liquidation of Investments	-	-
Closing cost	<u>31</u>	<u>31</u>
Opening provision	(19)	(19)
Closing provision	<u>(19)</u>	<u>(19)</u>
Closing net book value	<u>12</u>	<u>12</u>
Opening net book value	<u>12</u>	<u>12</u>

The Company has the following wholly owned non-trading subsidiary undertakings which operate in the United Kingdom:

The Jermyn Street Shirtmakers Limited
The Jermyn Street Tie Company Limited
Turnbull & Asser International Limited

and in Canada:

Turnbull & Asser (Ontario) Limited

In the opinion of the Directors the value of the Company's investments in its subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

	2002	2001
	£000	£000
10 STOCKS		
Group and Company:		
Raw materials and consumables	853	724
Work in progress	227	281
Finished goods and goods for resale	1,826	1,476
	<u>2,906</u>	<u>2,481</u>

TURNBULL & ASSER LIMITED
NOTES TO FINANCIAL STATEMENTS
53 WEEKS ENDED 2 FEBRUARY 2002

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
11 DEBTORS				
Amounts falling due within one year:				
Trade debtors	1,009	1,275	1,009	1,275
Amounts owed by group undertakings	-	-	11	11
Other debtors	31	41	31	41
Prepayments and accrued income	144	154	144	154
	<u>1,184</u>	<u>1,470</u>	<u>1,195</u>	<u>1,481</u>

12 CREDITORS : Amounts falling due within one year:

Bank loan (note 14)	200	-	200	-
Trade creditors	238	278	238	278
Amounts owed to group undertakings	-	-	12	12
Other creditors	23	64	23	64
Taxation and social security	237	393	237	393
Accruals and deferred income	584	486	583	485
	<u>1,282</u>	<u>1,221</u>	<u>1,293</u>	<u>1,232</u>

13 CREDITORS : Amounts falling due after more than one year:

Bank loan (note 14)	1,000	-	1,000	-
Pension	46	10	46	10
	<u>1,046</u>	<u>10</u>	<u>1,046</u>	<u>10</u>

14 BANK LOAN

Maturity of debt:				
Amounts falling due within one year	200	-	200	-
Amounts falling due 1-2 years	200	-	200	-
Amounts falling due 2-5 years	600	-	600	-
Amounts falling due after 5 years	<u>200</u>	<u>-</u>	<u>200</u>	<u>-</u>
	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>-</u>

The bank loan is secured by a fixed charge on the long leasehold of a property. The loan is repayable in annual instalments of £200,000 due on 30 January each year. Interest payable is based on fixed rate of 6.65%.

TURNBULL & ASSER LIMITED
NOTES TO FINANCIAL STATEMENTS
53 WEEKS ENDED 2 FEBRUARY 2002

	2002 £000	2001 £000
15 DEFERRED TAXATION		
<i>Group and Company:</i>		
Provided in respect of capital allowances and the revaluation of property	20	20
	<u>=====</u>	<u>=====</u>
	2002	2001
16 CALLED UP SHARE CAPITAL	£	£
Authorised:		
Non - Equity		
8.5 million Ordinary shares of US \$0.001 cents each	55	55
Equity		
10.3 million Ordinary shares of £0.10 each	1,030,200	1,030,200
	<u>1,030,255</u>	<u>1,030,255</u>
	<u>=====</u>	<u>=====</u>
Allotted and fully paid:		
Non - Equity		
8.5 million Ordinary shares of US \$0.001 cents each	55	55
Equity		
8.5 million Ordinary shares of £0.10 each	850,000	850,000
	<u>850,055</u>	<u>850,055</u>
	<u>=====</u>	<u>=====</u>

The US\$ shares are each entitled to receive dividends amounting to the first 99% of the amount of profits which the Company may determine to distribute in respect of any financial year, divided by the number of US\$ shares then in issue. The Sterling shares are each entitled to receive a dividend of the remaining 1% of distributable profits, divided by the number of Sterling shares then in issue.

Each US\$ share carries 99 votes. Each Sterling share carries one vote.

In the event of a return of capital or winding up the US\$ class of shares shall be entitled to receive the first 99% of the assets available for distribution. Only after the US\$ class has received its full entitlement shall the Sterling class be entitled to the balance of the assets available.

Neither class of share is redeemable at the shareholder's request.

TURNBULL & ASSER LIMITED
NOTES TO FINANCIAL STATEMENTS
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	Group	Company
	2002	2002
	£000	£000
17 CAPITAL REDEMPTION RESERVE		
Opening balance	30	30
Closing balance	<u>30</u>	<u>30</u>
18 REVALUATION RESERVE		
Opening balance	-	-
Revaluation of Freehold Property	20	20
Closing balance	<u>20</u>	<u>20</u>
19 PROFIT AND LOSS ACCOUNT		
Opening balance	3,823	3,824
Retained profit for the year	459	459
Closing balance	<u>4,282</u>	<u>4,283</u>
-Equity	43	43
-Non Equity	4,239	4,240
	<u>4,282</u>	<u>4,283</u>

The Company has taken advantage of section 230 of the Companies Act 1985 and consequently a profit and loss account for the Company has not been presented. The Company's profit after taxation for the financial year was £0.459 million (2001: £0.823 million).

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group	Company	Group	Company
	2002	2001	2002	2001
	£000	£000	£000	£000
Profit attributable to shareholders	459	823	459	823
Revaluation of freehold property	20	-	20	-
Dividends	-	(662)	-	(662)
Net increase in shareholders' funds	<u>479</u>	<u>161</u>	<u>479</u>	<u>161</u>
Opening shareholders' funds	4,703	4,542	4,704	4,543
Closing shareholders' funds	<u>5,182</u>	<u>4,703</u>	<u>5,183</u>	<u>4,704</u>
SHAREHOLDERS' FUNDS				
-Equity	52	47	52	47
-Non Equity	5,130	4,656	5,131	4,657
	<u>5,182</u>	<u>4,703</u>	<u>5,183</u>	<u>4,704</u>

TURNBULL & ASSER LIMITED
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21 LEASING COMMITMENTS

	2002	2001
	£000	£000
The Group and Company has the following annual operating commitments in respect of land and buildings:		
Within 1 year	29	22
From 1 - 5 years	140	284
After 5 years	244	198
	<u>413</u>	<u>504</u>
The leases are subject to rent review.		
Other assets -- between 2 - 5 years	<u>56</u>	<u>54</u>

22 CAPITAL COMMITMENTS

Group and Company:		
Authorised and not contracted	<u>92</u>	<u>15</u>

23 CONTINGENT LIABILITY

Group and Company:		
Legal dispute	<u>105</u>	<u>105</u>

The contingent liability of £105,000 plus indemnities relates to a legal dispute between the company and a former agent in Italy. Given the nature of the litigation the outcome of any action currently pending remains uncertain. It is the opinion of the Directors that the claim is unlikely to be successful.

24 RELATED PARTY DISCLOSURES

During the year the Group traded with Turnbull & Asser LLC, a company in which Mr A. Fayed has a beneficial interest. Sales were made on commercial terms and amounted to £0.61 million for the year (2001: £1.20 million). A license fee income was obtained on sales resulting in other operating income of £0.06 million (2001: £0.11 million). A payment was made to Turnbull & Asser LLC of £0.25 million (2001: nil) pursuant to an agreement to vary the terms of an existing agreement under which Turnbull & Asser LLC distributed shirts on a wholesale basis within the USA. As a result of varying the agreement, Turnbull & Asser Limited is now exclusively entitled to sell wholesale into the USA. At the year-end the amount owed to the Company by Turnbull & Asser LLC was £0.22 million (2001: £0.14 million).

The Group also trades with companies in the Harrods Group in which Mr A. Fayed has a beneficial interest. Sales were made on commercial terms and amounted to £1.50 million for the year (2001: £1.40 million). Charges for operating expenses amounted to £0.34 million (2001: £0.37 million) and fixed assets acquired amounted to £0.007 million (2001: £0.004 million). At the year end the net amount owed by these companies to the Company was £0.21 million (2001: £0.18 million).

The ultimate controlling party of the Company is Mr A. Fayed.

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25 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2002	2001
	£000	£000
Operating profit	603	1,166
Profit on disposal of tangible fixed assets	-	(2)
Pension variation	36	68
Depreciation charged	252	241
Increase in stocks	(425)	(164)
Decrease/(Increase) in debtors	286	(297)
Decrease in creditors	(25)	(85)
Net cash inflow from operating activities	<u>727</u>	<u>927</u>

26 ANALYSIS OF NET DEBT

Group and Company:	2001	Cash	2002
	£000	flow	£000
		£000	
Cash in hand and at bank	547	57	604
Bank loan			
Due after 5 years	-	(200)	(200)
Due 2-5 years	-	(800)	(800)
Due within one year	<u>-</u>	<u>(200)</u>	<u>(200)</u>
Total	<u>-</u>	<u>(1,200)</u>	<u>(1,200)</u>
Net Debt	<u>547</u>	<u>(1,143)</u>	<u>(596)</u>