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DOLCIS LIMITED

Financial Statements
For the 52 weeks ended 28 January 2006



COMPANY NO: 3153341

DIRECTORS' REPORT

Directors: A H A Osborn
R.A.K.W. Piggott

Secretary: R.A.K.W. Piggott

Registered Office: 40-48 Guildford Street, Luton LU1 2PB

The directors submit their report and financial statements for the 52 weeks ended 28 January 2006.

Results and dividends

The loss for the period amounted to £1,488,000 (2005 : restated profit of £1,874,000). The directors do not recommend the payment of a dividend and thus the loss for the period has been charged to reserves.

Review of the business and future developments

The Company's principal activity during the period was the retailing of footwear and accessories. The Company will aim to maximise profitability through the development of its product offering and will open new outlets where suitable opportunities arise.

Directors and their interests

The directors of the Company for the period are listed above.

None of the directors of the Company at 28 January 2006 had any interest in the shares of the Company at any time during the period.

Disabled employees

The Company's policy is to give equal consideration to all applicants for employment including disabled people. Career development and training are available to all employees and those who become disabled are afforded every assistance to enable them to continue in their career including retraining where necessary.

Employee involvement

Copies of all public documents issued by the Company are made available to employees. In addition, regular meetings are held with management and with relevant trade unions to keep them fully informed of the Company's activities so that information can be disseminated to all employees.

Policy on payment of creditors

Payment terms are agreed individually with suppliers and are adhered to unless advantageous early settlement terms are offered. Any changes to this procedure will be agreed with suppliers and any disputes arising will be settled as soon as possible.

At 28 January 2006 the value of trade creditors outstanding was equivalent to 16 days purchases (2005 : 32 days).

Financial risk management

The main risks facing the Company are interest rate risk in relation to borrowings, credit risk, liquidity risk, and foreign currency exposure. Interest rate risk is managed on a short term basis, using both fixed and floating rates, as the level of debt fluctuates due to the seasonality of cash flows. Core debt is not considered sufficient to warrant the use of long term fixed rate borrowings or the use of interest rate swaps. The Company's credit risk centres on its relationship with host department stores through which it trades as concessions. Payments due from host stores are subject to contractual terms and are closely monitored to ensure that payments do not become overdue and subject to possible default.

DIRECTORS' REPORT (continued)

Financial risk management (continued)

The Company's liquidity risk relates to its ability to fund its day to day operations which it does using a combination of equity capital and bank overdraft facilities.

The Company purchases forward foreign currency contracts to hedge against falling sterling exchange rates in relation to purchases made in currencies in which the Company does not receive trading income. These transactions relate to known purchase commitments. No hedging transactions are undertaken for currencies in which the Company considers that future expenditure will be covered by future trading income in those same currencies. The Company does not purchase financial instruments of any kind for speculative purposes.

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the board



R A K W PIGGOTT

Secretary

12 September 2006

40-48 Guildford Street, Luton, LU1 2PB

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DOLCIS LIMITED**

We have audited the financial statements of Dolcis Limited for the 52 weeks ended 28 January 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come, save where expressly agreed by our prior consent in writing.

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 the information specified by law regarding directors' remuneration and transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs at 28 January 2006 and of its loss for the 52 weeks then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors

St. Albans
12 September 2006

PROFIT AND LOSS ACCOUNT

| for the 52 weeks to 28 January 2006 | Note | 2006 <u>£000</u> | 2005 As restated <u>£000</u> |
|---|------|---------------------|------------------------------------|
| Turnover | 1 | 67,319 | 69,817 |
| Cost of sales | | (63,737) | (61,581) |
| Gross profit | | <u>3,582</u> | <u>8,236</u> |
| Distribution costs | | (3,357) | (3,669) |
| Administrative expenses | | (1,603) | (1,849) |
| Operating (loss)/profit | | <u>(1,378)</u> | <u>2,718</u> |
| Net interest (payable)/receivable | 2 | (715) | 98 |
| (Loss)/profit on ordinary activities before taxation | | <u>(2,093)</u> | <u>2,816</u> |
| Tax on (loss)/profit on ordinary activities | 3 | 605 | (942) |
| (Loss)/profit for the financial period | 12 | <u>(1,488)</u> | <u>1,874</u> |

All results are from continuing activities.

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

The notes on pages 6 to 14 form an integral part of the profit and loss account.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

| for the 52 weeks to 28 January 2006 | 2006 <u>£000</u> | 2005 <u>£000</u> |
|---|---------------------|---------------------|
| (Loss)/profit for the financial period | <u>(1,488)</u> | <u>1,874</u> |
| Total recognised loss for the period | (1,488) | |
| Prior year adjustment | (804) | |
| Corporation tax related to prior year adjustment | 241 | |
| Total loss recognised since last annual report | <u>(2,051)</u> | |

BALANCE SHEET
as at 28 January 2006

| | | 2006 | | 2005 | |
|---|------|---------------|--------------|---------------|--------------|
| | | | | As restated | |
| | Note | £000 | £000 | £000 | £000 |
| Tangible fixed assets | 4 | | 1,921 | | 2,670 |
| Current assets | | | | | |
| Stock | 5 | 10,168 | | 9,310 | |
| Debtors : falling due within one year | 6 | 14,741 | | 16,702 | |
| falling due after more than one year | 6 | 461 | | 418 | |
| Cash at bank and in hand | | - | | 527 | |
| | | <u>25,370</u> | | <u>26,957</u> | |
| Current liabilities | | | | | |
| Creditors falling due within one year | 7 | (19,616) | | (20,515) | |
| | | | <u>5,754</u> | | <u>6,442</u> |
| Net current assets | | | | | |
| | | | <u>7,675</u> | | <u>9,112</u> |
| Total assets less current liabilities | | | | | |
| | | | | | |
| Provisions for liabilities and charges | 8 | | (930) | | (879) |
| | | | <u>6,745</u> | | <u>8,233</u> |
| Net assets | | | | | |
| | | | | | |
| Capital and reserves | | | | | |
| Called up share capital | 10 | 25,000 | | 25,000 | |
| Profit and loss account | 11 | (18,255) | | (16,767) | |
| | | | <u>6,745</u> | | <u>8,233</u> |
| Total equity shareholders' funds | | | | | |

The financial statements were approved at a meeting of the directors on 12 September 2006.

The notes on pages 6 to 14 form an integral part of the balance sheet.

A H A Osborn



Directors

R A K W Piggott



STATEMENT OF ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. All accounting policies have been applied consistently during the current and previous accounting period, except as noted below under 'Changes in accounting policies'.

Turnover

Turnover represents goods delivered less returns from, or allowances to, customers and excludes VAT. Turnover includes the full value of sales made in concessions.

In accordance with Financial Reporting Standard No. 5, Application Note G (FRS 5 ANG), turnover excludes the value of goods sold in the period which, it is estimated, will be returned for refund by customers after the period end date. The estimate is based on historical evidence of the level of customer returns.

Stock valuation

Stock is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less associated costs of disposal.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction, or at the exchange rate of a related forward exchange contract where appropriate. Assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date, or at the exchange rate of a related forward exchange contract where appropriate.

Fixed assets and depreciation

Fixed assets are stated at cost. All such assets are depreciated at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows :

| | |
|----------------------------|----------------------|
| Short leasehold properties | - over term of lease |
| Fixtures and plant | - 10% to 25% p.a. |
| Motor vehicles | - 20% p.a. |

Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account on a straightline basis over the term of the lease and approximates to a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities recognised have not been discounted.

STATEMENT OF ACCOUNTING POLICIES (continued)

Pension costs

The company participates in the Alexon Group Amalgamated Pension Scheme. Contributions to the scheme are charged to the profit and loss account in the period in which they arise.

Provision for liabilities and charges

Provisions for onerous lease costs are calculated on an individual basis using the lower of :

- i) the discounted value of trading losses to the end of the lease;
- ii) the discounted value of annual rental payments to the end of the lease; and
- iii) an estimate of costs which would be incurred in order to exit the lease prior to its expiry.

Changes in accounting policies

The Company has adopted FRS17, 'Retirement Benefits', FRS21, 'Events after the balance sheet date', FRS25, 'Financial Instruments : Disclosures and Presentation', and FRS28, 'Corresponding amounts', in these financial statements. The adoption of each of these standards represents a change in accounting policy and comparative figures have been restated accordingly, except where the exemption to restate comparatives has been taken.

The effect of the change in accounting policy to adopt FRS17 was to increase administrative expenses by £144,000 (2005 : £157,000), increase the deferred taxation charge to the profit and loss account by £43,000 (2005 : £47,000), and to reduce net assets by £664,000 (2005 : £563,000).

NOTES TO THE FINANCIAL STATEMENTS

1 Turnover and profit on ordinary activities before tax

Turnover is stated net of value added tax and derives entirely from the Company's principal activity.

| | 2006 | 2005 |
|--|-----------------|-----------------|
| | 52 weeks | 52 weeks |
| | £000 | £000 |
| Geographical analysis of turnover by destination | | |
| United Kingdom | 67,225 | 68,756 |
| Rest of Europe | 94 | 1,061 |
| | 67,319 | 69,817 |

There is no material difference between turnover by destination and turnover by origin. Geographical analysis of profit on ordinary activities before taxation and net assets are not provided as over 90% of both items arise within the UK.

Additional information as required by SSAP 25 has not been disclosed because, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the Company.

| | 2006 | 2005 |
|--|-----------------|-----------------|
| | 52 weeks | 52 weeks |
| | £000 | £000 |
| Profit on ordinary activities before tax is stated after charging the following items: | | |
| Depreciation | 983 | 948 |
| Impairment of fixed assets | 405 | - |
| Loss on disposal of fixed assets | 19 | 13 |
| Auditors' remuneration - audit services | 17 | 18 |
| - non-audit services | 6 | 10 |
| Hire of machinery & equipment | 40 | 59 |
| Operating lease rentals - land and buildings | 11,151 | 11,026 |

Auditors' remuneration for non-audit services relates primarily to taxation advice.

2 Net interest (payable)/receivable

| | 2006 | 2005 |
|---|-----------------|-----------------|
| | 52 weeks | 52 weeks |
| | £000 | £000 |
| Interest payable on bank loans and overdrafts | (54) | (28) |
| Interest payable on loans from other group companies | (704) | (474) |
| Interest receivable on loans to other group companies | 39 | 598 |
| Other interest receivable | 4 | 2 |
| | (715) | 98 |

NOTES TO THE FINANCIAL STATEMENTS

| | 2006 52 weeks £000 | 2005 52 weeks £000 |
|--|--------------------------|--------------------------|
| 3 Tax (credit)/charge on profit on ordinary activities | | |
| The taxation (credit)/charge for the period comprises: | | |
| Current tax - UK corporation tax on profits of the period | - | 568 |
| - Adjustments in respect of previous periods | (562) | 3 |
| Total current tax | (562) | 571 |
| Deferred tax - Origination and reversal of timing differences : current period | (26) | 339 |
| previous periods | (17) | 32 |
| | (605) | 942 |
| Factors affecting the tax charge for the period : | | |
| Profit on ordinary activities before tax | (2,093) | 2,816 |
| Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 30% | (628) | 845 |
| Expenses not deductible for tax purposes | 86 | 108 |
| Utilisation of tax losses | - | (236) |
| Losses surrendered to other group companies for nil consideration | 516 | - |
| Capital allowances for the period in excess of depreciation, and other timing differences | 26 | (149) |
| Adjustments in respect of previous periods corporation tax payable | (562) | 3 |
| Current tax charge for the period | (562) | 571 |

NOTES TO THE FINANCIAL STATEMENTS

4 Tangible fixed assets

| | Short leasehold property £000 | Vehicles, plant and machinery £000 | Fixtures and fittings £000 | Total £000 |
|---------------------------------|--|---|----------------------------------|---------------|
| Cost | | | | |
| At 29 January 2005 | 2,695 | 586 | 11,216 | 14,497 |
| Additions during the period | 61 | 10 | 586 | 657 |
| Disposals during the period | - | - | (233) | (233) |
| At 28 January 2006 | 2,756 | 596 | 11,569 | 14,921 |
| Accumulated depreciation | | | | |
| At 29 January 2005 | 2,076 | 467 | 9,284 | 11,827 |
| Charge for the period | 120 | 79 | 784 | 983 |
| Disposals during the period | - | - | (215) | (215) |
| Impairment | 84 | - | 321 | 405 |
| At 28 January 2006 | 2,280 | 546 | 10,174 | 13,000 |
| Net book amount | | | | |
| At 28 January 2006 | 476 | 50 | 1,395 | 1,921 |
| At 29 January 2005 | 619 | 119 | 1,932 | 2,670 |

| | |
|----------------------------------|----------------------------------|
| At 28 January 2006 £000 | At 29 January 2005 £000 |
|----------------------------------|----------------------------------|

5 Stock

| | | |
|----------------|---------------|--------------|
| Finished goods | 10,168 | 9,310 |
|----------------|---------------|--------------|

NOTES TO THE FINANCIAL STATEMENTS

| | At 28 January 2006 £000 | At 29 January 2005 £000 |
|--|----------------------------------|----------------------------------|
| 6 Debtors | | |
| Amounts falling due within one year comprise: | | |
| Trade debtors | 29 | 135 |
| Prepayments and accrued income | 2,953 | 2,653 |
| Amounts due from other group undertakings | 11,759 | 13,914 |
| | <u>14,741</u> | <u>16,702</u> |
| Amounts falling due after more than one year comprise: | | |
| Deferred tax asset | 461 | 418 |
| | <u>461</u> | <u>418</u> |
| Total debtors | <u>15,202</u> | <u>17,120</u> |

With effect from 1 April 2004 interest is charged on all inter company balances where required by UK tax legislation.

Amounts owed by other group undertakings are unsecured and repayable on demand.

| | At 28 January 2006 £000 | At 29 January 2005 £000 |
|---|----------------------------------|----------------------------------|
| 7 Creditors | | |
| Amounts falling due within one year comprise: | | |
| Bank overdrafts | 365 | - |
| Trade creditors | 1,515 | 3,017 |
| Amounts owed to other subsidiary undertakings | 13,742 | 12,259 |
| Other creditors | 754 | 870 |
| Taxation and social security costs | 524 | 897 |
| Corporation tax | 47 | 635 |
| Accruals and deferred income | 2,669 | 2,837 |
| | <u>19,616</u> | <u>20,515</u> |

All creditors are unsecured.

With effect from 1 April 2004 interest is charged on all inter company balances where required by UK tax legislation.

Amounts owed to other group undertakings are unsecured and have no fixed date of repayment.

| 8 Provisions for liabilities and charges | Property provisions £000 |
|---|---|
| As at 29 January 2005 | 879 |
| Charged to profit and loss account | 51 |
| As at 28 January 2006 | <u>930</u> |

Property provisions are in respect of onerous lease contracts relating to certain uneconomic shop premises and represent estimated exit costs determined on an individual basis. The provision is expected to be utilised within the next five years.

NOTES TO THE FINANCIAL STATEMENTS

| | At 28 January 2006 £000 | At 29 January 2005 £000 |
|--|----------------------------------|----------------------------------|
| 9 Deferred taxation | | |
| The deferred taxation asset represents : | | |
| Accelerated capital allowances | 446 | 371 |
| Other timing differences | 15 | 47 |
| Deferred tax asset | <u>461</u> | <u>418</u> |
| Deferred tax asset at beginning of period | 418 | 789 |
| Deferred tax credit/(charge) in profit and loss account for the period | <u>43</u> | <u>(371)</u> |
| Deferred tax asset at the end of the period | <u>461</u> | <u>418</u> |
| Deferred taxation unprovided represents : | | |
| Capital losses less rolled over gains | <u>148</u> | <u>122</u> |

The deferred tax asset not recognised in respect of capital losses less rolled over capital gains would be recovered if future capital gains arose in the Company.

| | At 28 January 2006 £ | At 29 January 2005 £ |
|--|-------------------------------|---|
| 10 Share capital | | |
| Authorised, issued and fully paid Ordinary shares of £1 each | <u>25,000,000</u> | <u>25,000,000</u> |
| 11 Reserves | | Profit and loss account £000 |
| At 29 January 2005 as previously stated | | (16,204) |
| Prior year adjustment | | (563) |
| At 29 January 2005 as restated | | <u>(16,767)</u> |
| Loss for the period | | (1,488) |
| At 28 January 2006 | | <u>(18,255)</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | 2006 £000 | 2005 £000 |
|---|----------------|--------------|
| 12 Reconciliation of movement in shareholders' funds | | |
| (Loss)/profit for the financial period as previously stated | (1,488) | 1,984 |
| Prior year adjustment | - | (110) |
| (Loss)/profit for the financial period as restated | <u>(1,488)</u> | <u>1,874</u> |
| Opening shareholders' funds as previously stated | 8,796 | 6,812 |
| Prior year adjustment | <u>(563)</u> | <u>(453)</u> |
| | <u>8,233</u> | <u>6,359</u> |
| Closing shareholders' funds | <u>6,745</u> | <u>8,233</u> |

13 Financial instruments

The Company purchases forward foreign currency contracts to hedge against falling sterling exchange rates in relation to purchases made in currencies in which the Company does not receive trading income. The Company has elected not to adopt fair value accounting for these forward contracts. The fair value of the contracts outstanding at 28 January 2006 amounted to £2,908,000.

| | At 28 January 2006 £000 | At 29 January 2005 £000 |
|--|----------------------------------|----------------------------------|
| 14 Capital commitments | | |
| Authorised and contracted | <u>19</u> | <u>222</u> |
| 15 Other financial commitments | | |
| Operating leases (including shop rentals) - commitments payable within one year for leases expiring: | | |
| Within one year | 260 | 1,188 |
| In the second to fifth years inclusive | 1,636 | 1,235 |
| Over five years | 10,559 | 10,425 |
| | <u>12,455</u> | <u>12,848</u> |

Operating lease commitments relate solely to land and buildings.

16 Directors emoluments

None of the directors received remuneration in respect of their services to the Company during the period.

Details of directors interests in the share capital of the ultimate parent undertaking, Alexon Group plc, are contained in the annual report of that company.

NOTES TO THE FINANCIAL STATEMENTS

17 Employees

| | 2006 | 2005 |
|---|---------------|--------------|
| | Number | Number |
| The average monthly number of employees during the period was as follows: | | |
| Production | 19 | 18 |
| Retail and distribution | <u>1,386</u> | <u>1,432</u> |
| | <u>1,405</u> | <u>1,450</u> |
| Staff costs during the period amounted to: | £000 | £000 |
| Wages and salaries | 8,751 | 8,648 |
| Social security costs | 495 | 456 |
| Other pension costs | <u>299</u> | <u>158</u> |
| | <u>9,545</u> | <u>9,262</u> |

18 Pension commitments

The Company participates in the Alexon Group Amalgamated Pension Scheme ("the Scheme") which provides pension benefits under both the defined benefit and defined contribution methods.

Contributions to the money purchase element of the Scheme are based on individual member's pensionable salaries and range from 3% to 10%. Contributions during the period amounted to £14,000 (2005 : £17,000).

The assets of the defined benefit element of the Scheme are held separately, being invested in a mixed fund managed by a pensions management company.

It is not possible to separately identify the Company's share of the Scheme's overall underlying assets and liabilities and for this reason defined benefit accounting cannot be applied. Instead, employer contributions are charged to the profit and loss account in the period in which they fall due.

As at 28 January 2006 the Scheme had a total deficit of £4,516,000. Future employer contributions will be increased in order to eradicate the deficit over the next ten years. Full details of the scheme and of its funding level as at 28 January 2006 are contained within the Annual Report of the ultimate parent undertaking, Alexon Group plc. Employer contributions during the 52 weeks ended 28 January 2006 amounted to £285,000 (£2005 : £298,000).

19 Cash flow statement and related party transactions

The Company is a wholly-owned subsidiary of Dolcis Holdings Limited and is included in the consolidated financial statements of Alexon Group plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No.1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard No. 8 from disclosing related party transactions with entities that are part of the Alexon Group.

20 Parent undertaking and controlling party

The Company is a wholly owned subsidiary of Dolcis Holdings Limited.

The Company's ultimate parent undertaking and controlling party is Alexon Group plc, which is incorporated in England. Copies of its group accounts may be obtained from Companies House, Crown Way, Cardiff CF4 3UZ.