

LECKFORD MUSHROOMS LIMITED

Company Number 476257

Directors: Steven Esom
David Felwick
Tina Reade

Secretary: Terence Neville

Registered Office: 171 Victoria Street, London SW1E 5NN

Auditors: PricewaterhouseCoopers

REPORT OF THE DIRECTORS

The directors submit their Report together with the Accounts for the year ended 26 January 2002.

PRINCIPAL ACTIVITY

The business of the company is mushroom farming.

REVIEW OF THE BUSINESS

The company is a wholly owned subsidiary within the John Lewis Partnership plc group; a review of the group's activities for the year ended 26 January 2002 is given in the statement by the Chairman of John Lewis Partnership plc, which is included within that company's report and accounts.

USE OF PROFITS

The company incurred a loss for the year of £400,134 (£595,564). In view of the accumulated deficit on reserves the directors do not recommend the payment of a dividend (nil) and the loss has been transferred to reserves.

DIRECTORS

A list of the directors in office at the date of this report is shown above. Tina Reade was appointed a director on 30 March 2001, on which date, David Wilson, who was in office as a director on 28 January 2001, resigned. Steven Esom and David Felwick were appointed directors on 11 March 2002, on which date David Young, who was in office as a director throughout the period under review, resigned.



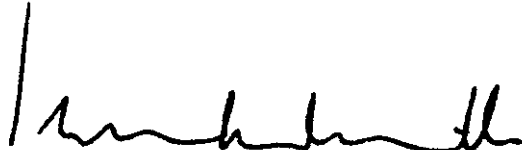
DIRECTORS' INTERESTS

The Register of Directors' Interests showed that at 28 January 2001 and 26 January 2002 or date of appointment, if later, all directors, as employees of John Lewis plc, were interested in the 612,000 deferred ordinary shares in John Lewis Partnership plc which are held in trust for the benefit of employees of John Lewis plc and of certain other companies.

AUDITORS

PricewaterhouseCoopers have expressed their willingness to continue in office as auditors.

By Order of the Board



T F Neville
Secretary

171 Victoria Street
London SW1E 5NN

~~2 AUG 2002~~

29 JUL 2002

LECKFORD MUSHROOMS LIMITED

PROFIT AND LOSS ACCOUNT AS AT 26 JANUARY 2002

	Notes	2002 £	2001 *Restated £
Turnover	2	2,816,500	2,945,581
Cost of sales		<u>(2,758,335)</u>	<u>(2,918,352)</u>
Gross profit		58,165	27,229
Administrative expenses		<u>(642,260)</u>	<u>(813,703)</u>
Loss on ordinary activities before taxation	4	(584,095)	(786,474)
Tax on loss on ordinary activities	5	<u>183,961</u>	<u>190,910</u>
Loss for the financial year	11	<u><u>(400,134)</u></u>	<u><u>(595,564)</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Loss for the financial year and total recognised gains for the year	(400,134)	(595,564)
Prior year adjustments	649	
Total gains and losses recognised since last report and accounts	<u><u>(399,485)</u></u>	

* The 2001 comparatives have been restated to reflect the adoption of FRS 19 - Deferred Taxation, as described in note 1.

LECKFORD MUSHROOMS LIMITED

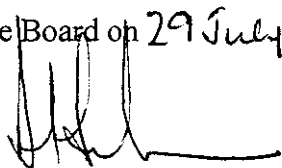
BALANCE SHEET AS AT 26 JANUARY 2002

	Notes	2002 £	2001 *Restated £
Current assets			
Stocks	7	173,510	154,139
Debtors	8	203,880	20,121
Cash at bank and in hand		659	659
		<u>378,049</u>	<u>174,919</u>
Creditors			
Amounts falling due within one year	9	<u>(4,040,793)</u>	<u>(3,437,529)</u>
Net current liabilities		<u>(3,662,744)</u>	<u>(3,262,610)</u>
Net liabilities		<u><u>(3,662,744)</u></u>	<u><u>(3,262,610)</u></u>
Capital and reserves			
Called up share capital	10	12,342	12,342
Profit and loss account	11	<u>(3,675,086)</u>	<u>(3,274,952)</u>
Total shareholders' funds	12	<u><u>(3,662,744)</u></u>	<u><u>(3,262,610)</u></u>

* The 2001 comparatives have been restated to reflect the adoption of FRS 19 - Deferred Taxation, as described in note 1.

Approved by the Board on 29 July 2002

Director



LECKFORD MUSHROOMS LIMITED

NOTES TO THE ACCOUNTS

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

FRS 19 - Deferred Taxation has been adopted in these financial statements. The adoption of the standard represents a change in accounting policy and comparative figures have been restated accordingly. FRS 18 - Accounting Policies has been adopted in the year. This did not result in any change in accounting policies.

Turnover

Turnover is the total amount receivable by the company for goods sold and services provided during the year, excluding VAT.

Stock valuation

Stock is stated at the lower of cost or net realisable value.

Leased assets

Leased assets are all held under operating leases and the annual rentals payable are charged to the profit and loss account as incurred.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, with the exception of gains that would arise if properties were sold at their revalued amounts. Deferred taxation is measured on a non-discounted basis at the 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.

On adoption of FRS 19 - Deferred Taxation opening reserves have been restated to reflect previously unprovided deferred tax. The adjustments as at January 2000 and January 2001 were £(718) and £(649) respectively. In addition, the tax credit for the year to January 2001 has been restated, decreasing by £68 to £190,910. The adoption of FRS 19 has resulted in an increase in the tax credit for the year of £5,915.

2. Turnover and loss

Turnover derives from agricultural activities carried on in the United Kingdom. Turnover and loss derive from continuing operations, there having been no discontinued operations or acquisitions in the year.

LECKFORD MUSHROOMS LIMITED

NOTES TO THE ACCOUNTS

3. Pension costs

Employees of Leckford Mushrooms Limited are members of the non-contributory John Lewis Partnership Trust for Pensions. Particulars of the actuarial valuation of this defined benefit scheme are shown in the accounts of John Lewis plc. Contributions are based on pension costs for the group as a whole and the increase in the charge reflects the results of the most recent actuarial valuation of the group's pension fund.

The group defined benefit schemes are run on a basis that does not allow individual companies within the group to identify their share of assets and liabilities. When FRS 17 - Retirement Benefits is adopted in full, the schemes will be accounted for in Leckford Mushrooms Limited as defined contribution schemes, and the pension cost will be equivalent to the contribution payable for the year.

4. Loss on ordinary activities before taxation

	2002 £	2001 £
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Loss on ordinary activities before taxation is stated after charging the following:

Auditors' remuneration	4,300	1,000
Pension costs	98,000	101,000
Partnership bonus	89,000	103,000
Rental of land and buildings	125,000	125,000
Amounts paid to group companies in respect of employees' services	<u>1,107,277</u>	<u>1,227,402</u>

Employees' contracts of employment are with the immediate parent company, John Lewis plc, and the result for the year includes a charge for their services. The statutory information on staff costs, staff numbers and pension arrangements is dealt with in the accounts of John Lewis plc.

5. Tax on loss on ordinary activities

	2002 £	2001 Restated £
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Analysis of tax credit:

Group relief - this year	<u>(178,046)</u>	<u>(190,978)</u>
Current tax credit	<u>(178,046)</u>	<u>(190,978)</u>
Deferred tax - origination and reversal of timing differences	(5,915)	68
	<u>(183,961)</u>	<u>(190,910)</u>

The tax credit is based on a corporation tax rate of 30% (2001 30%).

LECKFORD MUSHROOMS LIMITED

NOTES TO THE ACCOUNTS

5. Tax on loss on ordinary activities (continued)

Factors affecting current tax credit for the period

Loss on ordinary activities before tax	<u>(584,095)</u>	<u>(786,474)</u>
Loss on ordinary activities at standard rate		
of corporation tax in the UK of 30% (2001 30%)	(175,228)	(235,942)
Effects of:		
Expenses not deductible for tax purposes	-	46,200
Other timing differences	<u>(2,818)</u>	<u>(1,236)</u>
Current tax credit for the period	<u>(178,046)</u>	<u>(190,978)</u>

6. Directors' emoluments

The directors are all full time executives of John Lewis plc and no part of their remuneration relates to services to this company.

	2002 £	2001 £
7. Stocks		
Raw materials and consumables	154,635	133,932
Work-in-progress	12,779	15,652
Finished goods	<u>6,096</u>	<u>4,555</u>
	<u>173,510</u>	<u>154,139</u>
	2002 £	2001 Restated £

8. Debtors

Amounts falling due within one year:

Trade debtors	139,816	-
Deferred tax	6,564	649
VAT	30,000	-
Other debtors	19,405	4,217
Prepayments and accrued income	<u>8,095</u>	<u>15,255</u>
	<u>203,880</u>	<u>20,121</u>

LECKFORD MUSHROOMS LIMITED

NOTES TO THE ACCOUNTS

	2002 £	2001 £
9. Creditors		
Amounts falling due within one year:		
Trade creditors	85,000	70,020
Amounts owed to group companies	3,698,872	3,219,917
Partnership bonus	89,000	103,000
Other creditors	157,212	40,231
Accruals	10,709	4,361
	<u>4,040,793</u>	<u>3,437,529</u>
10. Share capital		
Authorised:		
Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>
Issued and fully paid:		
Ordinary shares of £1 each	<u>12,342</u>	<u>12,342</u>
11. Profit and loss account		£
At 27 January 2001		(3,275,601)
Prior year adjustment		649
At 27 January 2001 restated		<u>(3,274,952)</u>
Loss for the year		<u>(400,134)</u>
At 26 January 2002		<u>(3,675,086)</u>
12. Reconciliation of movements in shareholders' funds	2002 £	2001 Restated £
Loss for the financial year	(400,134)	(595,564)
Opening shareholders' funds as reported	(3,262,610)	(2,667,764)
Prior year adjustment	-	718
Opening shareholders' funds as restated	<u>(3,262,610)</u>	<u>(2,667,046)</u>
Closing shareholders' funds	<u>(3,662,744)</u>	<u>(3,262,610)</u>

LECKFORD MUSHROOMS LIMITED

NOTES TO THE ACCOUNTS

13.	Lease commitments	2002	2001
		£	£

Operating leases:

Rental of land and buildings for the
next financial year on leases expiring:

Over 5 years	<u>125,000</u>	<u>125,000</u>
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14. **Cash flow statement**

A consolidated cash flow statement has been included in the accounts of the parent company which include the accounts of Leckford Mushrooms Limited. Accordingly, as permitted by Financial Reporting Standard 1, no cash flow statement is presented in these accounts.

15. **Related party transactions**

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard 8 "Related Party Disclosures" as the accounts of John Lewis plc and John Lewis Partnership plc, in which the company is consolidated, are publicly available.

16. **Parent company**

John Lewis plc is the parent company of the smallest group to consolidate the accounts of the company. John Lewis Partnership plc, the company's ultimate parent company, is the parent company of the largest group to consolidate these accounts. Ultimate control rests with John Lewis Partnership Trust Limited, which holds the equity of John Lewis Partnership plc in trust for the benefit of the employees. All of these companies are registered in England.

Copies of these accounts may be obtained from the Company Secretary, John Lewis Partnership, 171 Victoria Street, London SW1E 5NN.

The holding company has informed this company that it is its present intention to provide finance for the continued operations of Leckford Mushrooms Limited.

LECKFORD MUSHROOMS LIMITED

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The directors are required by UK company law 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 its profit or loss for that period. In preparing the financial statements suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made. Relevant accounting standards have been followed. The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The directors, having made enquiries, consider that the company has adequate resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

LECKFORD MUSHROOMS LIMITED
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LECKFORD MUSHROOMS LIMITED

We have audited the financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in note 1.

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.

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. The other information comprises only the directors' report.

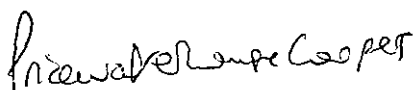
Basis of audit opinion

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 26 January 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

1 Embankment Place
London WC2N 6RH

29 July 2002