

COMPANY REGISTRATION NUMBER 99857

CLARKS LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2004



CLARKS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 JANUARY 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 January 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the purchase/resale of footwear. The company entered into transactions which resulted in neither a profit or a loss.

DIRECTORS

The directors who served the company during the year were as follows:

Mr R P Beacham
Mrs J E Derbyshire

Neither of the directors has, at any time, had an interest in the share capital of the company.

Mr R P Beacham is a director of C & J Clark Limited, the company's ultimate holding company, and his interests in the share capital of that company are shown in the accounts of that company.

Mrs J E Derbyshire and her family hold 316,900 (2003 : 406,258) Ordinary Shares of £1 each in the share capital of C & J Clark Limited, the company's ultimate holding company.

The requirements of the Companies Act 1985, results in the inclusion, in the case of the holdings of Mrs Derbyshire and her family, of 147,118 (2003 : 236,868) Ordinary Shares of £1 each which the trustee of the C & J Clark Executive Share Trust holds. Neither director is, as yet, entitled to receive some, or any, of these shares.

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 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;
- prepare the financial statements on the 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.

CLARKS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 JANUARY 2004

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
40 High Street
Street
BA16 0YA

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'E A EVANS', written over a diagonal line.

E A EVANS
Company Secretary

Approved by the directors on 27 October 2004.

CLARKS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF
CLARKS LIMITED
YEAR ENDED 31 JANUARY 2004

We have audited the financial statements on pages 4 to 7.

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' are responsible for preparing the directors' report and, as described on page 1, 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 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 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 31 January 2004 and of its result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants & Registered Auditor
100 Temple Street
Bristol
BS1 6AG

27 October 2004

CLARKS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2004

	Note	2004 £	2003 £
TURNOVER		10,442	1,326
Cost of sales		<u>(9,360)</u>	<u>(1,326)</u>
GROSS PROFIT		1,082	—
Administrative expenses		<u>(1,082)</u>	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		—	—
Tax on profit on ordinary activities		—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		—	—
Equity dividends paid	3	—	<u>(9,245)</u>
LOSS FOR THE FINANCIAL YEAR		—	(9,245)
Balance brought forward		—	<u>9,245</u>
Balance carried forward		<u>—</u>	<u>—</u>

The notes on pages 6 to 7 form part of these financial statements.

CLARKS LIMITED

BALANCE SHEET

31 JANUARY 2004

	Note	2004 £	2003 £
CURRENT ASSETS			
Debtors	4	<u>1,211</u>	<u>1,211</u>
TOTAL ASSETS		<u>1,211</u>	<u>1,211</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	<u>1,211</u>	<u>1,211</u>
SHAREHOLDER'S FUNDS		<u>1,211</u>	<u>1,211</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the Board of Directors and signed on its behalf by:



Mr R P Beacham
Director

27 October 2004

The notes on pages 6 to 7 form part of these financial statements.

CLARKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Related parties transactions

As the company is a wholly owned subsidiary of C & J Clark Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Directors' emoluments	<u>—</u>	<u>—</u>

3. DIVIDEND

	2004	2003
	£	£
Ordinary dividend - paid	<u>—</u>	<u>9,245</u>

4. DEBTORS

	2004	2003
	£	£
Other debtors	<u>1,211</u>	<u>1,211</u>

Other debtors is comprised of an inter-company balance with C & J Clark (Street) Limited, the company's immediate parent undertaking.

CLARKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2004

5. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
8,000 Ordinary shares of £1 each	<u>8,000</u>	<u>8,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>1,211</u>	<u>1,211</u>	<u>1,211</u>	<u>1,211</u>

6. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is C & J Clark (Street) Limited.

In the directors' opinion, the company's ultimate parent company and controlling party is C & J Clark Limited which is incorporated in England. Copies of the C & J Clark Limited group financial statements, which include the company, are obtainable from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.