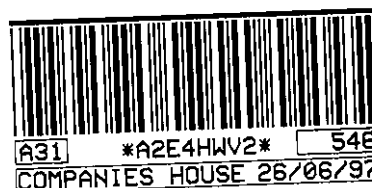


JOHN LEWIS PARTNERSHIP TRUST LIMITED

COMPANY NUMBER 481406

DIRECTORS

Mr S Hampson (Chairman)
Mr D E Young (Deputy Chairman)
Miss K J Green
Mr D S Ramsey
Mr P R Sharp



Secretary: B J Pritchard

Registered Office: 171 Victoria Street, LONDON, SW1E 5NN

Auditors: Price Waterhouse

REPORT OF THE DIRECTORS

The directors submit their Report together with the Accounts for the year ended 25 January 1997.

PRINCIPAL ACTIVITY

During the year the company administered Trusts under Settlements dated 18 April 1929 and 26 April 1950. In addition, under a Charitable Trust dated 13 September 1961, the company administered a Trust for The John Lewis Partnership General Community Fund.

USE OF PROFITS

The company does not trade and had no income or expenditure.

DIRECTORS

A list of the directors in office at the date of this report is shown above. Mr Hampson, Miss Green, Mr Ramsey and Mr Young served throughout the period under review. Mr A Slater was appointed a director on 19 June 1996 and resigned on 18 June 1997, on which date Mr P R Sharp was appointed a director. Mr M D D Wilson, who was in office as a director on 28 January 1996 resigned on 19 June 1996. At the forthcoming Annual General Meeting Miss Green, Mr Ramsey and Mr Sharp retire pursuant to the Articles of Association; resolutions will be submitted for their reappointment as directors.

DIRECTORS' INTERESTS

The following interests in the shares of the company at 28 January 1996, or date of appointment if later, and 25 January 1997 have been registered:

	A Shares		B Shares	
	1996	1997	1996	1997
Mr S Hampson	40	40	60	60
Mr D E Young	-	-	60	60
Mr D S Ramsey	-	-	60	60

Mr Hampson has requested the company to record that he held the 40 A Shares by virtue of his office of Chairman and subject to the Articles of Association of the company. The 60 B Shares of the company are held in trust for the persons who are for the time being members of the Central Council of the John Lewis Partnership. Messrs Hampson, Young and Ramsey registered with the company declarations of membership of that Council.

AUDITORS

Price Waterhouse have expressed their willingness to continue in office as auditors and in accordance with Section 384 of the Companies Act 1985 a resolution proposing their reappointment as auditors of the company will be put to the members at the Annual General Meeting.

By Order of the Board


B. J. Pritchard
Secretary

171 Victoria Street
London
SW1E 5NN

18 June 1997

JOHN LEWIS PARTNERSHIP TRUST LIMITED

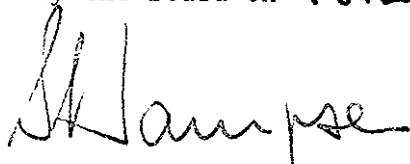
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 25TH JANUARY 1997

During the financial year and the preceding financial year, the Company did not trade, and received no income and incurred no expenditure. Consequently, during those years, the Company made neither profit nor loss, nor any other recognised gain or loss

BALANCE SHEET AS AT 25TH JANUARY 1997

	Note	1997 £	1996 £
CURRENT ASSETS			
Debtor - John Lewis plc		99,000	99,000
Cash at bank		100	100
		<u>99,100</u>	<u>99,100</u>
CAPITAL AND RESERVES			
Called up share capital	3	100,100	100,100
Profit and loss account		(1,000)	(1,000)
TOTAL SHAREHOLDERS' FUNDS		<u>99,100</u>	<u>99,100</u>

Approved by the Board on 18th June 1997



Director

JOHN LEWIS PARTNERSHIP TRUST LIMITED

NOTES TO THE ACCOUNTS

1. Principal activity

The company has administered during the year to 25th January 1997 Trusts under Settlements dated 18th April 1929 and 26th April 1950 instituted for the benefit of the employees of companies in the John Lewis Partnership plc group. In addition, under a Charitable Trust dated 13th September 1961, the company has administered The John Lewis Partnership General Community Fund.

2. Accounting policies

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

3. Called up share capital

	1997	1996
	£	£
Authorised:		
40 'A' shares of £1 each	40	40
60 'B' shares of £1 each	60	60
250,000 deferred ordinary shares of £1 each	250,000	250,000
	<u>250,100</u>	<u>250,100</u>
Issued and fully paid:		
40 'A' shares of £1 each	40	40
60 'B' shares of £1 each	60	60
Issued and 40% paid:		
250,000 deferred ordinary shares of £1 each	100,000	100,000
	<u>100,100</u>	<u>100,100</u>

The "A" shares carry the right to one vote for each share held. In normal circumstances, the "B" shares carry no right to vote. Both "A" and "B" shares have the right to participate in dividends. The Deferred Ordinary Shares carry no right to vote or to participate in dividends. On a winding-up the amounts paid-up on the existing "A" and "B" shares shall be repaid first, followed by the amounts paid up on the Deferred Ordinary Shares, and thereafter all Shares shall rank equally for distribution of capital in proportion to the amounts paid up thereon.

4. Related party transactions

As at the end of the year a debtor balance of £99,000 was held with John Lewis plc, a related company under common control.

JOHN LEWIS PARTNERSHIP TRUST 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF JOHN LEWIS PARTNERSHIP TRUST LIMITED

We have audited the financial statements of John Lewis Partnership Trust Limited set out on pages 1 and 2 which have been prepared under the historical cost convention and the accounting policies set out on page 2.

Respective responsibilities of directors and auditors

As described above, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 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 at 25th January 1997 and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants
and Registered Auditors

18 June 1997

Southwark Towers
32 London Bridge Street
London SE1 9SY