

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3 OPERATING PROFIT (CONTINUED)

Remuneration payable to the auditors, PricewaterhouseCoopers LLP, for non-audit services provided to the parent company and United Kingdom subsidiaries amounted to £148,000 (2002: £93,000) of which £129,000 (2002: £93,000) was in relation to taxation services. The amount payable for non-audit services outside the United Kingdom was £6,000 (2002: £nil). Auditors' remuneration includes £32,000 (2002: £30,000) in respect of the parent company.

### 4 NET INTEREST RECEIVABLE (PAYABLE)

	2003	2002
	£m	£m
Interest payable and similar charges:		
Bank loans and overdrafts	(1.1)	(2.3)
Finance leases	(0.2)	-
Interest receivable	1.9	0.9
	0.6	(1.4)

### 5 STAFF COSTS

The average monthly number of employees (including executive directors) of the Group during the period is:

	2003	2002
	Number	Number
Administration and distribution	1,241	1,393
Retailing	9,536	8,933
	10,777	10,326

If the number of part-time hours worked is converted on the basis of a full working week, the equivalent average number of full-time employees would be 6,137 (2002: 6,092).

Their aggregate remuneration comprises:

	2003	2002
	£m	£m
Wages and salaries	82.8	75.7
Social security costs	7.7	6.6
Pension costs	0.4	0.5
	90.9	82.8

Amounts relating to directors' emoluments, options and shareholdings are shown in the Remuneration Report on pages 25 to 32. Those amounts form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:	2003	2002
	£m	£m
UK corporation tax on profits for the period	25.7	19.1
Overseas taxation	2.7	2.2
Adjustments in respect of prior period	(0.9)	-
Total current tax	27.5	21.3
Deferred tax	(0.2)	(0.8)
	27.3	20.5

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30% (2002: 30%). The actual tax charge for the current and the previous year exceeds the standard rate, for the reasons set out in the following reconciliation:

	2003	2002
	£m	£m
Profit on ordinary activities before tax	85.2	62.3
Tax on profit on ordinary activities at standard rate	25.6	18.7
<b>Factors affecting charge for the period:</b>		
Capital allowances for the period in excess of depreciation of qualifying assets	(0.4)	(0.3)
Unrelieved losses on disposals	0.9	0.7
Other timing differences	0.4	0.4
Expenses not deductible for tax purposes	1.3	1.5
Foreign tax charged at higher rate than UK standard rate	0.6	0.3
Adjustment to tax charge in respect of prior years	(0.9)	-
Total actual amount of current tax	27.5	21.3

Factors that may affect future tax charges:

The factors affecting the charge for the period are expected to continue to have a similar effect in future periods.

### 7 PROFIT FOR THE FINANCIAL PERIOD

The profit for the financial period dealt with in the financial statements of the parent company, New Look Group plc, is £20.5m (2002: £15.8m). As permitted by section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of the parent company.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8 DIVIDENDS

Dividends paid and proposed on equity shares are as follows:

	<b>2003</b>	2002
	<b>£m</b>	£m
Interim paid of 2.75p (2002: 2.2p) per ordinary share	<b>5.5</b>	4.4
Final proposed of 6.0p (2002: 4.8p) per ordinary share	<b>11.9</b>	9.6
	<b>17.4</b>	14.0

Dividends amounting to £0.1m in respect of the Company's shares held by the Employee Share Ownership Plan ("ESOP") have been deducted in arriving at the aggregate of the dividends paid and proposed (Note 13).

### 9 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding those held in the ESOP which are treated as cancelled.

For diluted earnings per share the weighted average number of shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's shares during the period.

Adjusted earnings per share are presented to allow a meaningful comparison with the previous period. These adjustments exclude the effects of week 53 in 2002.

	<b>2003</b>			2002		
	<b>Earnings</b>	<b>Weighted average number of shares</b>	<b>Earnings per share</b>	Earnings	Weighted average number of shares	Earnings per share
	<b>£m</b>	<b>million</b>	<b>pence</b>	£m	million	pence
<b>Earnings per share</b>						
Basic earnings per share	<b>55.5</b>	<b>198.8</b>	<b>27.9</b>	39.3	198.7	19.8
Dilutive potential ordinary shares arising from share options	-	<b>3.8</b>	<b>(0.5)</b>	-	3.0	(0.3)
Diluted earnings per share	<b>55.5</b>	<b>202.6</b>	<b>27.4</b>	39.3	201.7	19.5
					2002	
<b>Adjusted earnings per share</b>					Earnings	Earnings
Basic earnings per share					£m	per share
Adjustment for week 53, after tax					39.3	19.8
					(3.1)	(1.6)
					36.2	18.2

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10 INTANGIBLE FIXED ASSETS

<b>Group</b>	Goodwill
<b>Cost</b>	£m
At 30 March 2002 and 29 March 2003	8.6
<b>Accumulated amortisation</b>	
At 31 March 2002	0.5
Charge for the period	0.4
At 29 March 2003	0.9
<b>Net book value</b>	
At 29 March 2003	7.7
At 30 March 2002	8.1

### 11 TANGIBLE FIXED ASSETS

<b>Group</b>	Land and buildings			Total
	Freehold and long leasehold	Short leasehold	Fixtures and equipment	
<b>Cost</b>	£m	£m	£m	£m
At 31 March 2002	15.5	22.3	144.2	182.0
Additions	-	3.9	37.5	41.4
Disposals	(0.1)	(0.6)	(6.6)	(7.3)
Exchange adjustments	-	0.8	1.4	2.2
At 29 March 2003	15.4	26.4	176.5	218.3
<b>Accumulated depreciation</b>				
At 31 March 2002	2.3	4.9	75.0	82.2
Charge for the period	0.3	1.2	23.3	24.8
Disposals	-	(0.4)	(5.5)	(5.9)
Exchange adjustments	-	0.1	0.2	0.3
At 29 March 2003	2.6	5.8	93.0	101.4
<b>Net book value</b>				
At 29 March 2003	12.8	20.6	83.5	116.9
At 30 March 2002	13.2	17.4	69.2	99.8

Included in fixtures and equipment are assets held under hire purchase and lease agreements with a net book value of £2.8m at 29 March 2003 (2002: £1.1m). Long leasehold properties included above have a net book value of £0.1m (2002: £0.1m).

Freehold land of £6.8m (2002: £6.8m) is not depreciated.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12 FIXED ASSET INVESTMENTS

	Group £m	Company £m
<b>Shares in subsidiaries</b>		
At 30 March 2002 and 29 March 2003 at cost	-	180.1
<b>Investment in own shares</b>		
At 30 March 2002 and 29 March 2003 at cost	1.0	1.0
<b>Unlisted investments</b>		
At 30 March 2002 and 29 March 2003 at net book value	0.3	-
<b>Total investments at 30 March 2002 and 29 March 2003</b>	<b>1.3</b>	<b>181.1</b>

The value of the investment in own shares at 29 March 2003 is as shown in Note 13. The net book value of the unlisted investments is stated after deduction of provisions of £0.6m and the value is not considered to be materially different from the net book value at 29 March 2003.

The principal subsidiary companies in which New Look Group plc has an interest are:

	Country of incorporation and operation	% owned all ordinary shares	Main activity
New Look Limited*	Great Britain	100	Intermediate holding company
New Look Retailers Limited	Great Britain	100	Fashion retail
Geometry Properties Limited	Great Britain	100	Property trading and rental
Vallsar Trustees Limited*	Great Britain	100	Trustee of ESOP (Note 13)
New Look Card Services Limited	Great Britain	100	Financial services
SAS NewMim*	France	51	Intermediate holding company
SAS Mim	France	51	Fashion retail
SAS Mim Look	France	51	Fashion retail

\* Held directly by New Look Group plc

On 29 May 2003 the Board announced that the Group has conditionally agreed to acquire the 49% minority shareholding in SAS NewMim for a maximum consideration of Euro 42.0m (£29.7m) payable in cash, of which an initial Euro 40.0m (£28.3m) would be payable on completion. The transaction is subject to the approval of the Group's shareholders and the French competition authority.