

Coats Statutory Company Number: 014

COMPANY NO: 151652

WILLIAM HOLLINS & COMPANY LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED

31 DECEMBER 2001

COUNTRY OF REGISTRATION

ENGLAND

REGISTERED OFFICE

1 THE SQUARE
STOCKLEY PARK
UXBRIDGE
MIDDLESEX
UB11 1TD

DIRECTORS:

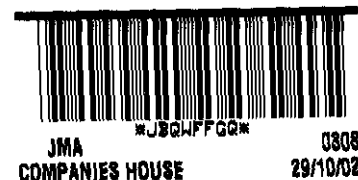
P.A. BURNETT
C.W. HEALY
D.L. F. HOLT
J.D. LEA
D.W. YOUNGER

SECRETARY:

G.J.C. ALDRIDGE
S.C. O'LEARY

AUDITORS:

DELOITTE & TOUCHE
MANCHESTER



WILLIAM HOLLINS & COMPANY LIMITEDDIRECTORS' REPORT

The Directors submit their report and statement of accounts for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company is the retailing and overseas licensing of fabrics and garments, mainly under the brand name of Viyella.

REVIEW OF THE BUSINESS

Sales for the year were £54,418,000 (2000 - £57,831,000). The operating profit for the year of £2,387,000 compares with profits of £4,009,000 in 2000. Viyella enjoyed a strong first half, with like-for-like sales up 17% on the back of a buoyant High Street performance. Underpinning this growth was the introduction of new product categories in contemporary and weekend wear, leading to a broadening of the appeal of the range. Further progress has also been made in supply chain management and sourcing, supporting the key brand differentiator of looking good for longer quality product. Margins improved by two percentage points as a result of strong full price sales backed by value added promotions.

The second half saw a positive reaction to the new collection. However, an increase in discounting to clear stocks resulted in weaker margins on sales that were 2% ahead of the previous year.

Viyella continued to attract new customers and with additional new product is well placed to benefit from any upturn in consumer spending.

The Branded Shirts business was sold to a management buy out team in July 2001 and a number of the Company's brands were also sold during the year, in order to enable it to concentrate on its core ladieswear retail business. The sales of the shirt businesses were £3,883,000 (2000 : £11,331,000) and the operating profit was £331,000 (2000 : £1,132,000).

FIXED ASSETS

The changes which have taken place during the year are set out in note 9 to the accounts. The directors are of the opinion that there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts.

RESULTS

The profit for the year after taxation is £4,696,000. An interim dividend of £1,111,000 was paid on 31 December 2001. The Directors do not recommend the payment of a final dividend (2000 : Nil).

DIRECTORS AND THEIR INTERESTS

The directors have no beneficial interests in the shares of the company.

JD Lea is a director of Coats plc, the ultimate holding company and his interests are shown in that company's directors report. Mr Lea was appointed as a director on 2 July 2001.

CW Healy is a director of the company's parent company, Coats Holdings Limited, and his interests are shown in that company's directors report.

WILLIAM HOLLINS & COMPANY LIMITEDDIRECTORS' REPORT (Continued)

Details of the other directors' interests in the ordinary shares of Coats plc are shown below:-

	<u>Ordinary Shares</u>	
	31 December 2001	31 December 2000 or date of appointment
P.A. Burnett	Nil	Nil
P.C. Duncan (resigned 30 March 2001)	Nil	Nil
D.L.F. Holt	Nil	Nil
B. Morrison (resigned 16 July 2001)	Nil	Nil
L. Tait (resigned 16 July 2001)	Nil	Nil
D.W. Younger	Nil	Nil

The following share options in Coats plc have been granted to the other Directors and not exercised:

	Options Granted	Price per Share	Period of Option	Number of Shares
1984 Executive Share Option Scheme	1992 to 1993	195.80p to 256.08p	2002 to 2003	10,095
1994 Executive Share Option Scheme	1996 to 2001	45.75p to 199.50p	2002 to 2011	851,764

Other than the foregoing, the directors have no beneficial interest in the shares of Coats plc.

EMPLOYMENT POLICIES

The company complies with the employment policies of the Coats plc Group which are set out in that Company's Directors' report.

DISABLED PERSONS

It is the company's policy to offer equal opportunity to disabled persons applying for vacancies and provide them with the same opportunities for employment, training, career development and promotion that are available to all employees within the limitation of their aptitude and abilities.

SUPPLIER CREDIT

It is the Company's policy to follow the CBI Code of Practice regarding the prompt payment of suppliers. A copy of the Code can be obtained from the Company Secretary. In particular, for all trade creditors it is the Company's policy to:

- agree the terms of payment at the start of business with the supplier
- ensure that suppliers are aware of the terms of payment
- pay in accordance with its contractual and other legal obligations.

Trade creditors at 31 December 2001 represented an average of 40 creditor days.

WILLIAM HOLLINS & COMPANY LIMITEDDIRECTORS' REPORT (Continued)AUDITORS

Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the company in general meeting and the appointment of auditors annually are currently in force. The auditors, Deloitte & Touche, will therefore be deemed to have been appointed at the end of the period of 28 days, beginning with the day on which copies of this report and accounts are sent to members, unless a resolution is passed under section 393 of the Companies Act 1985, to the effect that their appointment be brought to an end.

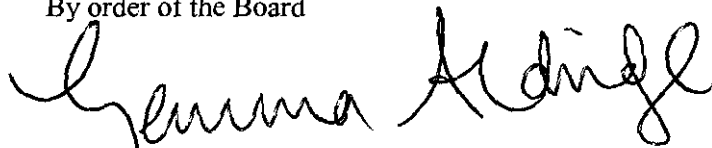
DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- 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 are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



GJC Aldridge
Secretary

_____ 22/10 _____ 2002

WILLIAM HOLLINS & COMPANY LIMITEDINDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WILLIAM HOLLINS & COMPANY LIMITED.

We have audited the financial statements of Williams Hollins & Company Limited for the year ended 31 December 2001, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 21, together with the reconciliation of movement in shareholders' funds. 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 set out on page 4, the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal regulatory requirements and auditing standards.

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 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.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

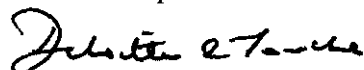
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Manchester

28 October 2002

WILLIAM HOLLINS & COMPANY LIMITEDPROFIT AND LOSS ACCOUNT

For the year ended 31 December 2001

	Note	2001 £'000	2000 £'000
TURNOVER	1	54,418	57,831
Cost of sales		<u>(20,834)</u>	<u>(23,319)</u>
GROSS PROFIT		33,584	34,512
Distribution costs		(25,740)	(26,315)
Administration expenses		(6,385)	(5,653)
Other operating income	2	<u>928</u>	<u>1,465</u>
		<u>(31,197)</u>	<u>(30,503)</u>
OPERATING PROFIT	2	2,387	4,009
Loss on sale of shirts division		(41)	-
Profit on sale of fixed assets and brands		<u>1,815</u>	<u>824</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		4,161	4,833
Interest receivable and similar income	5	596	2,277
Interest payable	6	<u>(42)</u>	<u>(2,019)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,715	5,091
Tax on profit on ordinary activities	7	<u>(19)</u>	<u>(37)</u>
PROFIT FOR THE FINANCIAL YEAR		4,696	5,054
Equity ordinary dividends paid	8	<u>(1,111)</u>	<u>-</u>
PROFIT RETAINED	16	<u><u>3,585</u></u>	<u><u>5,054</u></u>

The notes on pages 9 to 16 form part of these accounts.

The above results derive solely from continuing activities.

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

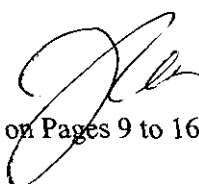
WILLIAM HOLLINS & COMPANY LIMITEDBALANCE SHEET

31 December 2001

	Note	2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	9	2,633	3,934
CURRENT ASSETS			
Stocks	10	6,723	8,326
Debtors - due in less than one year	11	7,543	12,543
- due in more than one year	11	22,653	41,323
Cash at bank and in hand		<u>1,394</u>	<u>37</u>
		<u>38,313</u>	<u>62,229</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdrafts		-	3,241
Trade creditors		3,087	2,944
Sundry creditors	12	<u>2,181</u>	<u>3,102</u>
		<u>5,268</u>	<u>9,287</u>
NET CURRENT ASSETS		<u>33,045</u>	<u>52,942</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		35,678	56,876
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	13	(12,644)	(37,284)
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>(21)</u>	<u>(164)</u>
		<u>23,013</u>	<u>19,428</u>
CAPITAL AND RESERVES			
CALLED UP EQUITY SHARE CAPITAL	15	7,500	7,500
RESERVES			
Profit and loss account	16	<u>15,513</u>	<u>11,928</u>
EQUITY SHAREHOLDERS' FUNDS		<u>23,013</u>	<u>19,428</u>

Approved by the Board of Directors on 22/10/02 and signed on their behalf.

Director



The notes on Pages 9 to 16 form part of these accounts.

WILLIAM HOLLINS & COMPANY LIMITEDRECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

31 December 2001

	2001 £'000	2000 £'000
Profit attributable to members of the company	4,696	5,054
Dividends paid	<u>(1,111)</u>	<u>-</u>
Net addition to shareholders' funds	3,585	5,054
Opening shareholders' funds	<u>19,428</u>	<u>14,374</u>
Closing shareholders' funds	<u>23,013</u>	<u>19,428</u>

WILLIAM HOLLINS & COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

STATEMENT OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements are prepared on the basis of historical cost and in accordance with applicable accounting standards. The principal accounting policies which the directors have adopted are set out below.

TURNOVER

All turnover relates to external transactions only excluding those with other branches of William Hollins & Company Ltd and represents the value of goods and services supplied net of returns, after deduction of trade discounts and value added tax.

FOREIGN CURRENCIES

All closing balances in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Profits and losses on exchange arising in the normal course of trading are dealt with in the profit and loss account.

TAXATION

Coats plc. has assumed the responsibility for discharging any liability for United Kingdom corporation tax, current or deferred, for accounting periods during which the Company remains a member of the Coats Group. The Directors have received assurances that:

- (i) there is no intention to revoke the undertaking to discharge the taxation liabilities of the Company for those periods, and
- (ii) full provision for deferred taxation has been made by Coats plc in respect of the Company.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation and, where appropriate, provision for impairment or estimated losses on disposals.

Depreciation is provided to write off the cost of the assets by equal instalments over their expected useful lives.

The rates used are:-

Freehold land	Nil
Freehold buildings	2%
Short leasehold property	Over period of lease
Motor vehicles	20%
Electronic office equipment	25%
All other plant and machinery	10% to 20%

WILLIAM HOLLINS & COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

STATEMENT OF ACCOUNTING POLICIES (continued)

STOCK AND WORK IN PROGRESS

Stock and work in progress is valued on bases consistent with those used in previous years at the lower of cost and net realisable value. Cost is the invoiced value of materials plus, in the case of work in progress and finished goods, labour and factory overheads based on a normal level of production.

RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure is charged against income in the year in which it is incurred.

GRANTS

Revenue based grants are credited against appropriate expenditure for the relevant year.

LICENSING INCOME

Licensing income is credited to profit and loss account in the year in which it arises.

OPERATING LEASE RENTALS

Rentals on operating leases are charged to profit and loss account in the year to which they relate.

CLOSURE AND REORGANISATION COSTS

All reorganisation costs are charged against profits on ordinary activities before taxation.

PENSIONS

The company is a member of the Coats Group pension scheme. The Coats Group operates defined benefit pension schemes covering a large proportion of its permanent staff employees. The schemes' funds are administered by trustees and are independent of the Group's finances.

During the year, Coats plc adopted FRS17 - Retirement Benefits. As the company is unable to identify its share of the underlying assets and liabilities of the scheme, it has accounted for the scheme as if it were a defined contribution scheme. Company contributions are charged against profits for the period which they relate.

Details of the latest actuarial valuation of the scheme are shown in note 20.

WILLIAM HOLLINS & COMPANY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 £'000	2000 £'000
1. ANALYSIS OF TURNOVER		
The turnover attributable to each of the company's geographical markets is:		
United Kingdom	53,939	56,262
Direct exports	479	1,554
Inter group	<u>-</u>	<u>15</u>
	<u>54,418</u>	<u>57,831</u>
2. OPERATING PROFIT		
Operating profit is stated after charging:		
Depreciation	1,187	1,183
Operating lease rentals	1,637	1,753
Auditors' remuneration	16	29
Directors' remuneration (note 4)	232	293
Loss on sale of fixed assets	27	10
Reorganisation costs	119	460
Impairment of fixed assets	-	42
Research and development	-	72
and after crediting:		
OTHER OPERATING INCOME		
Licensing income	475	1,019
Credit card income	<u>453</u>	<u>446</u>
	<u>928</u>	<u>1,465</u>
3. EMPLOYEES	2001 Number	2000 Number
The average number employed by the company during the year was:		
Staff	<u>907</u>	<u>984</u>
The costs incurred in respect of these employees were:		
	2001 £'000	2000 £'000
Wages and salaries	8,580	9,455
Social security costs	503	551
Other pension costs	<u>272</u>	<u>361</u>
	<u>9,355</u>	<u>10,367</u>

WILLIAM HOLLINS & COMPANY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

	2001	2000
	£'000	£'000
4. DIRECTORS REMUNERATION		
Aggregate emoluments	172	293
Compensation for loss of office	<u>60</u>	<u>-</u>
	<u>232</u>	<u>293</u>
<p>All the directors were members of the Coats Pension Plan, a contributory defined benefits scheme, during the year.</p> <p>The remuneration of the highest paid director was:-</p>		
Aggregate emoluments	<u>77</u>	<u>106</u>
Accrued pension	<u>-</u>	<u>41</u>
<p>All of the directors who received remuneration during the year, resigned before 31 December 2001.</p>		
5. INTEREST RECEIVABLE AND SIMILAR INCOME	£'000	£'000
Bank interest	-	2,277
Interest receivable from group companies	596	-
Credit card interest	<u>212</u>	<u>217</u>
Gross interest receivable and similar income	808	2,494
Less: Credit card interest transferred to other operating income	<u>(212)</u>	<u>(217)</u>
	<u>596</u>	<u>2,277</u>
6. INTEREST PAYABLE		
Bank and other interest	42	27
Interest payable to group companies	<u>-</u>	<u>1,992</u>
	<u>42</u>	<u>2,019</u>
7. TAX ON PROFIT ON ORDINARY ACTIVITIES		
UK corporation tax at 30% (2000 : 30%)	19	37
Overseas taxation	19	37
Double tax relief	<u>(19)</u>	<u>(37)</u>
	<u>19</u>	<u>37</u>

No overseas taxation has been provided on overseas income other than withholding taxes shown above suffered on remittance of dividends and similar income. Any UK tax liability which may arise and is not eliminated by the offset of double taxation relief and the receipt of group relief and/or advance corporation tax, for neither of which payment will be made, will be discharged by Coats plc.

WILLIAM HOLLINS & COMPANY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

8.	ORDINARY DIVIDENDS		2001 £'000	2000 £'000
	Dividends on ordinary shares		<u>1,111</u>	<u>-</u>
9.	TANGIBLE FIXED ASSETS	Land and <u>Buildings</u> £'000	Plant and <u>Machinery</u> £'000	<u>TOTAL</u> £'000
	COST			
	At 31 December 2000	1,008	10,209	11,217
	Additions	-	468	468
	Group transfers	(582)	(1,818)	(2,400)
	Disposals	<u>-</u>	<u>(336)</u>	<u>(336)</u>
	At 31 December 2001	<u>426</u>	<u>8,523</u>	<u>8,949</u>
	DEPRECIATION			
	At 31 December 2000	394	6,889	7,283
	Charge for the year	34	1,153	1,187
	Group transfers	(259)	(1,597)	(1,856)
	Disposals	<u>-</u>	<u>(298)</u>	<u>(298)</u>
	At 31 December 2001	<u>169</u>	<u>6,147</u>	<u>6,316</u>
	NET BOOK VALUE			
	At 31 December 2000	<u>614</u>	<u>3,320</u>	<u>3,934</u>
	At 31 December 2001	<u>257</u>	<u>2,376</u>	<u>2,633</u>
10.	STOCKS		2001 £'000	2000 £'000
	Raw materials and consumables		620	726
	Finished goods and goods for resale		<u>6,103</u>	<u>7,600</u>
			<u>6,723</u>	<u>8,326</u>

• WILLIAM HOLLINS & COMPANY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

11.	DEBTORS - due in less than one year	2001 £'000	2000 £'000
	Trade debtors	6,601	8,514
	Amounts owed by parent and fellow subsidiary undertakings	-	3,181
	Other debtors	66	19
	Prepayments and accrued income	<u>876</u>	<u>829</u>
		<u>7,543</u>	<u>12,543</u>
	DEBTORS - due in more than one year		
	Trade debtors	18	22
	Amounts owed by parent and fellow subsidiary undertakings	<u>22,635</u>	<u>41,301</u>
		<u>22,653</u>	<u>41,323</u>
12.	SUNDRY CREDITORS	2001 £'000	2000 £'000
	Bills of exchange payable	-	663
	Amounts owed to parent and fellow subsidiary undertakings	481	594
	Other creditors	115	134
	Other tax and social security	1,007	972
	Accruals and deferred income	<u>578</u>	<u>739</u>
		<u>2,181</u>	<u>3,102</u>
13.	CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2001 £'000	2000 £'000
	Amounts owed to parent and fellow subsidiary undertakings	<u>12,644</u>	<u>37,284</u>
	The amounts owing to group companies have no specified dates of repayment but are only repayable on receipt of twelve months notice.		
14.	PROVISIONS FOR LIABILITIES AND CHARGES	2001 £'000	2000 £'000
	REORGANISATION PROVISION		
	At 31 December 2000	164	-
	Utilised	(262)	(296)
	Provided	<u>119</u>	<u>460</u>
	At 31 December 2001	<u>21</u>	<u>164</u>

• WILLIAM HOLLINS & COMPANY LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

14. PROVISIONS FOR LIABILITIES AND CHARGES
(Continued)

DEFERRED TAXATION	2001	2000
	£'000	£'000

In the opinion of the directors, any deferred tax liability is either so remote or immaterial that it is unnecessary to provide for such deferred tax or to show any potential liability. If, however, such a liability were to arise then such liability will be discharged by Coats plc.

The amounts of deferred taxation unprovided for in the accounts are:

Capital allowances in excess of depreciation	(252)	(250)
Other timing differences	<u>(18)</u>	<u>(65)</u>
	<u>(270)</u>	<u>(315)</u>

15. CALLED UP EQUITY SHARE CAPITAL

2001	2000
£'000	£'000

Authorised 773,750,000 Ordinary shares of 1p each	<u>7,738</u>	<u>7,738</u>
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Allotted 750,000,000 Ordinary shares of 1p each	<u>7,500</u>	<u>7,500</u>
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16. RESERVES

PROFIT AND LOSS ACCOUNT	£'000
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At 31 December 2000	11,928
Retained for the year	<u>3,585</u>

At 31 December 2001	<u>15,513</u>
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17. OPERATING LEASE RENTALS

2001	2000
£'000	£'000

At 31 December 2001 the company had annual operating lease commitments as follows:-

Leases expiring within one year	3	25
Leases expiring within 2 to 5 years	165	325
Leases expiring in over 5 years	<u>1,411</u>	<u>1,441</u>
	<u>1,579</u>	<u>1,791</u>

WILLIAM HOLLINS & COMPANY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 £'000	2000 £'000
18. FUTURE CAPITAL EXPENDITURE		
Contracted but not provided for	-	16
Authorised but not contracted for	<u>49</u>	<u>2</u>
	<u>49</u>	<u>18</u>

19. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Coats plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group financial statements are available from the parent company's registered office at 1 The Square, Stockley Park, Uxbridge, Middlesex UB11 1TD.

20. PENSIONS

During the year, the Coats plc Group adopted FRS17 - Retirement Benefits. As noted below, the company accounts for the scheme as if it were a defined contribution scheme and hence there is no impact on the accounts for the current or prior year.

The company participates in the Coats Pension Plan. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the group. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme. There were no contributions to the scheme for the period (2000 : nil) and the agreed future contribution rate is nil%.

The latest full actuarial valuation of the scheme as a whole, was at 1 April 2000. This valuation was updated to 31 December 2001 for the group accounts by a qualified actuary. The valuation at 31 December 2001 indicated scheme assets of £1438.5m (2000 : £1,569.8m) representing 118% of the scheme liabilities (2000 : 133%). Of the resulting surplus, £34.9m (2000 : £39.4m) is recoverable by the group, as detailed in the accounts of Coats plc for the year ended 31 December 2001.

21. RELATED PARTY TRANSACTIONS

The company is a subsidiary undertaking within the Coats Group, 90% or more of its voting rights are controlled within the Group, and the Group's consolidated financial statements are publicly available. In accordance with FRS 8, therefore, disclosure is not required of transactions with entities that are part of the Group or investees of the Group qualifying as related parties.

There were no other transactions with related parties during the year other than those disclosed in these accounts.