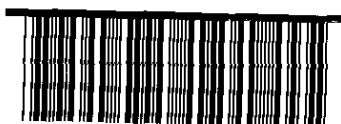


SKYE WOOLLEN MILL LIMITED

FINANCIAL STATEMENTS

2 March 2002

Company Number SC 80601



SCT S60EQFWD 0510
COMPANIES HOUSE 14/11/02

SCT S50X2F1S 0504
COMPANIES HOUSE 11/11/02

SKYE WOOLLEN MILL LIMITED

REPORT OF THE DIRECTORS

The Directors present their annual report and financial statements for the thirteen months ended 2 March 2002, following a change to the company's accounting reference date from 31 January to 28 February.

The company has not traded during the period ended 2 March 2002.

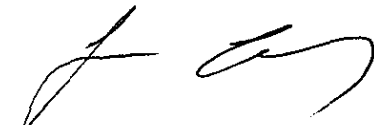
The directors who held office during the period were as follows:

C Birrell (resigned 16 July 2001)
J M Dunbar (resigned 31 May 2001)
J Carruthers (appointed 31 May 2001)
D O Houston (appointed 16 July 2001)

No director serving at the period end has any interest in the share capital of the company. Directors' interests in the share capital of the ultimate holding company EWM Group Limited are disclosed in that company's financial statements.

The company is exempt under Section 250 of the Companies Act 1985 from the obligation to appoint auditors.

By Order of the Board



J Carruthers
Secretary

31 July 2002

Registered Office
Waverley Mills, Langholm

SKYE WOOLLEN MILL LIMITED

BALANCE SHEET

As at 2 March 2002

	<u>02.03.2002</u> £	<u>02.02.2001</u> £
<u>ASSETS</u>		
<u>Amounts falling due after more than one year:</u>		
Loan to Holding Company	<u>5,000</u>	<u>5,000</u>
 <u>CAPITAL AND RESERVES</u>		
<u>SHARE CAPITAL</u>		
<u>Authorised</u>		
Ordinary Shares of £1 each	<u>5,000</u>	<u>5,000</u>
 <u>Allotted, Called Up and Fully Paid</u>		
Ordinary Shares of £1 each	<u>5,000</u>	<u>5,000</u>

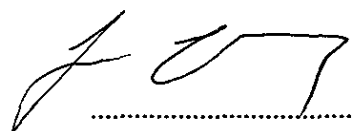
For the period ended 2 March 2002 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit of its accounts for the period in question in accordance with subsection (2) of 249B.

The directors acknowledge their responsibility for:

- i) ensuring the company keeps accounting records which comply with section 221; and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial period, and of its profit and loss for the financial period, in accordance with Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These Accounts were approved by the Board of Directors on 31 July 2002.



J Carruthers

..... DIRECTOR

NOTES: The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is a wholly owned subsidiary of James Pringle Limited, a company registered in Scotland. The ultimate holding company is EWM Group Limited, a company registered in England.