

ARG Holdings (Asia) Limited

(Formerly GUS Merchandise Corporation Limited)

Annual Report and Accounts

For the year ending
31 March 2005



ARG Holdings (Asia) Limited (formerly GUS Merchandise Corporation Limited)
Annual report and accounts for the year ended 31 March 2005

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ARG Holdings (Asia) Limited (formerly GUS Merchandise Corporation Limited)

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2005.

Principal activities, business review and future developments

During the year, the company has acted solely as a holding company and does not trade and accordingly has not recorded any transactions in its own accounts. The company is expected to continue acting as a holding company for the foreseeable future.

On 21 March 2005 the company changed its name by special resolution to ARG Holdings (Asia)

Results and dividends

The Company has not traded in the current or prior year. The directors do not recommended a payment of a dividend (2004:£Nil).

Directors

The directors that held office during the year were as follows:

S L Robinson	Resigned 12 July 2004
C J Holmes	Resigned 13 September 2004
R J Ashton	Appointed 13 September 2004
M P Thompson	Appointed 13 September 2004

There were no further new appointments or resignations after the year end.

Director's interests

No director had any beneficial interest in the shares of the Company. R J Ashton is also a director of Argos Holdings plc and M P Thompson is also a director of Argos Limited. The interests of these directors in the shares and share options of the ultimate parent company, GUS plc, are shown in the financial statements of those companies.

The market price of GUS plc shares at the end of the financial year was £9.11, the highest and the lowest prices during the year were £9.98 and £7.40 respectively.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, 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 accounts;
- Prepare the accounts on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

ARG Holdings (Asia) Limited (formerly GUS Merchandise Corporation Limited)

Directors' report

Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Elective resolutions

The Company has passed elective resolutions to dispense with the holding of annual general meetings and the laying of the annual reports and financial statements before the Company in general meetings, until such time as the elections are revoked.

Auditors

The company has passed an elective resolution dispensing with the requirement to re-appoint auditors annually. PricewaterhouseCoopers LLP will therefore continue in office.

By order of the board



C J Holmes

Secretary

Date: 27 January 2006

Independent Auditors' report to the members of ARG Holdings (Asia) Limited (formerly GUS Merchandise Corporation Limited)

We have audited the financial statements which comprise the balance sheet and related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

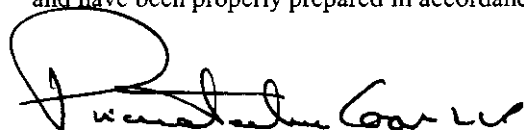
Basis of opinion

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 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 at 31 March 2005 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Birmingham

Date : 31 July 2006

ARG Holdings (Asia) Limited (formerly GUS Merchandise Corporation Limited)**Balance sheet as at 31 March 2005**

	Notes	2005 £'000	2004 £'000
Fixed assets			
Investments	4	13	13
		<u>13</u>	<u>13</u>
Current assets			
Debtors	5	10,461	10,461
Net current assets		<u>10,461</u>	<u>10,461</u>
Net assets		<u>10,474</u>	<u>10,474</u>
Capital and reserves			
Called up share capital	6	1	1
Share premium account	7	4,612	4,612
Capital redemption reserve	7	1	1
Profit and loss account	7	5,860	5,860
Equity shareholders' funds		<u>10,474</u>	<u>10,474</u>

The accounts on pages 4 to 7 were approved by the Board of Directors' and were signed on their behalf by

R. J. Ashton

R J Ashton

Director

Date: *27 January 2006*

ARG Holdings (Asia) Limited (formerly GUS Merchandise Corporation Limited)

Notes to the financial statements for the year ended 31 March 2005

1. Accounting policies

Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards in the UK and the Companies Act 1985.

As the Company is a wholly owned subsidiary of a parent undertaking incorporated in the European Community, advantage has been taken of S228 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement and related party transactions

The Company is a wholly-owned subsidiary of GUS plc and is included in the consolidated financial statements of GUS plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the group or investees of the group where the ultimate parent undertaking, GUS plc, owns 90% or more of the total shareholding.

Investments

Investments are included in the balance sheet at their cost on acquisition. Where appropriate provision is made for any impairment in their value.

2. Directors and employees

The emoluments of M P Thompson and R J Ashton are paid by Argos Limited. No recharges are made to the company. The services of these directors formed only a minimal part of their services to this and other group companies and consequently none of their remuneration has been apportioned or recharged to this company. Accordingly, no directors' emoluments are disclosed. R J Ashton's emoluments are included in the aggregate of directors' emoluments disclosed in the accounts of Argos Holdings plc and M P Thompson's emoluments are included in the aggregate of directors' emoluments disclosed in the accounts of Argos Limited.

Retirement benefits are accruing to two (2004: two) directors under a defined benefit scheme. During the year two directors exercised share options, and no director received shares or became entitled to receive shares under long term incentive schemes.

3. Auditor's remuneration

The cost of the annual audit of the financial statements of the company are borne by Argos Limited, and no recharge is made to the company.

ARG Holdings (Asia) Limited (formerly GUS Merchandise Corporation Limited)
Notes to the financial statements for the year ended 31 March 2005

4. Investments in subsidiaries

	2005	2004
	£'000	£'000
Shares in group undertakings		
Cost		
At 31 March 2004 and 2005	<u>13</u>	<u>13</u>

At 31 March 2005, the Company had the following subsidiaries:

Company name	Country of incorporation	Class of shares held	Proportion of nominal value of the shares /value of business held	Nature of business
Argos Retail Group (Hong Kong) Limited	Hong Kong	Ordinary	100% of nominal share value	Holding company

The Company has taken advantage of the exemption to prepare group accounts due to the fact that the Company is a wholly owned subsidiary of another corporate, incorporated in England and Wales.

5. Debtors

	2005	2004
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	10,461	10,461
	<u>10,461</u>	<u>10,461</u>

6. Share capital

	2005	2004
	£	£
Authorised:		
Ordinary shares		
500 (2004: 500) ordinary shares at £1 each	500	500
Preference shares		
500 (2004: 500) 8% (now 6% plus tax credit) redeemable cumulative preference share at £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
Allotted, called-up and fully paid:		
Ordinary shares		
500 (2004: 500) ordinary shares at £1 each	<u>500</u>	<u>500</u>

ARG Holdings (Asia) Limited (formerly GUS Merchandise Corporation Limited)**Notes to the financial statements for the year ended 31 March 2005****7. Reserves**

	Share Premium account	Capital Redemption Reserve	Profit and Loss account
	£'000	£'000	£'000
At 31 March 2004 and 2005	<u>4,612</u>	<u>1</u>	<u>5,860</u>

8. Reconciliation of movements in equity shareholders' funds

	2005 £'000	2004 £'000
Opening shareholders' funds	10,474	10,474
Closing shareholders' funds	<u>10,474</u>	<u>10,474</u>

9. Ultimate parent undertakings

The company's immediate parent undertaking is Argos Limited. The company's ultimate parent undertaking is GUS plc, a company registered in England and Wales. The company's controlling and ultimate controlling party is GUS plc, by virtue of its 100% shareholding in the company. The largest and smallest group of undertakings for which group accounts have been prepared is that of GUS plc. Copies of these accounts are available from its registered office at One Stanhope Gate, London, W1K 1AF.