

**Bejam Group plc**  
**Report and Accounts**  
**1st January 2000**

Registered Number: 917174



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**Directors and Advisers**

**Directors**

M C Walker  
A S Pritchard FCA  
J G Berry

**Secretary**

J G Berry

**Registered Office**

Second Avenue  
Deeside Industrial Park  
Deeside  
Flintshire  
CH5 2NW

**Auditors**

Ernst & Young  
Silkhouse Court  
Tithebarn Street  
Liverpool  
L2 2LE

**Directors' Report**

The directors present their report and accounts for the 52 week period ended 1st January 2000.

**Principal activities and review of business**

The Company's principal activity is that of parent undertaking for the Bejam Group and holding freehold properties for Iceland Group plc.

**Results and dividends**

The profit and loss account is set out on page 6 and shows the Company's profit for the period, together with the profit carried forward. The directors do not recommend the payment of a final dividend.

**Directors and their interests**

The directors as at 1st January 2000 were as follows:

M C Walker  
A S Pritchard  
J G Berry

Mr J B Leigh retired as a director on 30th June 1999.

The interests of the directors as at 1st January 2000, including family interests, in the share capital of the Company's holding company Iceland Group plc (all held beneficially) were as follows:

The interests of Mr M C Walker and Mr A S Pritchard, including family interests, in the share capital of group companies are disclosed in the Directors' Report of the parent undertaking, Iceland Group plc. The interests of Mr J G Berry are set out as follows:

**Ordinary shares**

	<u>As at</u> <u>1.1.00</u>	<u>As at</u> <u>2.1.99</u>
J G Berry	33,629	5,622

**Ordinary share options**

	<u>Scheme</u>	<u>As at</u> <u>3.1.99</u>	<u>Granted</u> <u>during</u> <u>the year</u>	<u>Exercised</u> <u>during</u> <u>the year</u>	<u>As at</u> <u>1.1.00</u>
J G Berry	a)	2,265	-	-	2,265
	b)	235,000	65,000	-	300,000
	c)	90,000	-	90,000	-

The share options referred to above were granted under the following schemes.


- a) SAYE Share Option Scheme
- b) Executive Share Option Scheme
- c) Performance Related Share Option Scheme

**Directors' Report (continued)**

**Auditors**

Ernst & Young have indicated their willingness to continue in office as auditors and a resolution that they be reappointed will be proposed at the Annual General Meeting.

By order of the board



J G Berry  
Secretary

21st March 2000

**Statement of Directors' Responsibilities in Respect of the Accounts**

Company law requires the directors to prepare accounts for each financial year which 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 year. 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; and
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the accounts.

The directors are responsible for maintaining 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 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.

**Report of the Auditors**

**To the members of Bejam Group plc**

We have audited the accounts on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 4, the Company's directors are responsible for preparing the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

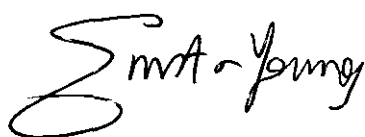
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 1st January 2000 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
Liverpool

21st March 2000

**Profit and Loss Account  
For the year ended 1st January 2000**

	<u>Note</u>	1999 <u>£'000</u>	1998 <u>£'000</u>
<b>Turnover</b>		6,500	6,500
Administration and other expenses		878	(213)
<b>Profit on ordinary activities before taxation</b>	2	7,378	6,287
Taxation	4	1,966	2,015
<b>Profit for the financial year</b>		5,412	4,272
Dividends	5	2,251	1,760
<b>Retained profit for the year</b>		3,161	2,512
<b>Retained profit brought forward</b>		57,742	55,230
<b>Retained profit carried forward</b>		60,903	57,742
		=====	=====

The Company has no recognised gains or losses other than the profit or loss for the current and previous financial periods.



## Bejam Group plc

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### Balance Sheet at 1st January 2000

	<u>Note</u>	1999 <u>£'000</u>	1998 <u>£'000</u>
<b>Fixed assets:</b>			
Tangible assets	6	62,832	66,929
Investments	7	5,634	5,634
		<u>68,466</u>	<u>72,563</u>
<b>Current assets:</b>			
Debtors	8	108,759	101,110
<b>Creditors: due within one year</b>	9	(96,687)	(96,296)
<b>Net current assets</b>		<u>12,072</u>	<u>4,814</u>
<b>Total assets less current liabilities</b>		<u>80,538</u>	<u>77,377</u>
<b>Capital and reserves:</b>			
Called up share capital	10	12,845	12,845
Share premium		6,790	6,790
Profit and loss account		60,903	57,742
<b>Shareholders' funds</b>		<u>80,538</u>	<u>77,377</u>



J G Berry  
Director

21st March 2000

**Reconciliation of Movement in Shareholders' Funds**  
**For the year ended 1st January 2000**

	1999 <u>£'000</u>	1998 <u>£'000</u>
Profit for the financial year	5,412	4,272
Equity dividends paid and proposed	2,251	1,760
Net increase in shareholders' funds	<u>3,161</u>	<u>2,512</u>
Shareholders' funds at the beginning of the year	77,377	74,865
Shareholders' funds at the end of the year	<u>80,538</u> =====	<u>77,377</u> =====

**Notes to the Accounts  
At 1st January 2000**

**1. Accounting policies**

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The Company is a wholly owned subsidiary undertaking of Iceland Group plc which is registered in England and Wales and therefore is exempt from the obligation to prepare and deliver group accounts.

**Fixed assets**

Freehold stores, which are mainly in high street locations, are maintained and regularly refurbished to a high standard, and are of a size which means that they have a wide range of alternative users. As a result, in the opinion of the directors, the difference between the residual values of such properties based on prices prevailing at their date of acquisition and their cost is immaterial. Accordingly, no provision for depreciation has been made. All other freehold property, other than freehold land, is depreciated over 50 years.

Leasehold premiums and improvements are depreciated in equal annual instalments over the lesser of the unexpired term of the lease and 50 years. However, that element of leasehold premium paid to acquire a beneficial rental is written off over the period to the first open market rent review.

**Turnover**

Turnover is the total amount receivable for services rendered to other group members, including interest receivable and rental income, excluding value added tax. All turnover arises in the United Kingdom and is attributable to the continuing activities above.

**Statement of cash flows**

The Company is exempt from including a statement of cash flows in its accounts, as it is a wholly owned subsidiary undertaking of a company incorporated in the United Kingdom, which has included a consolidated statement of cash flows in its consolidated accounts.

**2. Profit on ordinary activities before taxation**

	1999 <u>£'000</u>	1998 <u>£'000</u>
This is after charging:		
Depreciation	213	213
(Profit)/loss on sale of fixed asset	( 1,091)	-
	<u>=====</u>	<u>=====</u>

**3. Directors' remuneration**

No director received any remuneration in this or the previous period and, other than the directors and company secretary, there were no employees during this or the previous period.

**Notes to the Accounts**  
**At 1st January 2000 (continued)**

4.	Taxation	1999 £'000	1998 £'000		
	UK corporation tax on profits for the year	1,966 =====	2,015 =====		
5.	Dividends	1999 £'000	1998 £'000		
	Paid	2,251 =====	1,760 =====		
6.	Tangible fixed assets	Land & Buildings			
		Freehold £'000	Long Leasehold £'000	Short Leasehold £'000	Total £'000
	Cost:				
	At 3rd January 1999	57,483	6,422	5,176	69,081
	Additions	-	-	-	-
	Disposals	(3,447)	(485)	(7)	(3,939)
		-----	-----	-----	-----
	At 1st January 2000	54,036 =====	5,937 =====	5,169 =====	65,142 =====
	Depreciation:				
	At 3rd January 1999	-	862	1,290	2,152
	Charge for the year	-	79	134	213
	Disposals	-	(54)	(1)	(55)
		-----	-----	-----	-----
	At 1st January 2000	- =====	887 =====	1,423 =====	2,310 =====
	Net Book Value:				
	At 1st January 2000	54,036 =====	5,050 =====	3,746 =====	62,832 =====
	At 2nd January 1999	57,483 =====	5,560 =====	3,886 =====	66,929 =====

**Notes to the Accounts  
At 1st January 2000 (continued)**

**7. Investments**

Subsidiary  
undertakings  
shares  
£'000

**Cost and net book value:**

At 1st January 2000 and 2nd January 1999 5,634  
=====

In the opinion of the directors, the aggregate value of the investments is not less than the amounts at which they are stated.

The Company's principal subsidiary undertakings are set out below:

<u>Name of company</u>	<u>Country of registration</u>	<u>Holding</u>	<u>Proportion held</u>	<u>Nature of business</u>
Bejam Manufacturing	England & Wales	Ordinary Shares	100%	Dormant
Rarefine Properties	England & Wales	Ordinary Shares	100%	Dormant

**8. Debtors**

	<u>1999 £'000</u>	<u>1998 £'000</u>
Due from group undertakings	108,759	101,110
	<u>108,759</u>	<u>101,110</u>
	=====	=====

**9. Creditors: due within one year**

	<u>1999 £'000</u>	<u>1998 £'000</u>
Corporation tax	4,125	3,734
Due to parent undertaking	92,562	92,562
	<u>96,687</u>	<u>96,296</u>
	=====	=====

**Notes to the Accounts  
At 1st January 2000 (continued)**

<b>10. Share capital</b>	<b>1999</b>	<b>1998</b>
	<u>£'000</u>	<u>£'000</u>
Authorised:		
150,000,000 ordinary shares of 10p each	15,000	15,000
	=====	=====
Allotted, called up and fully paid:		
12,845,000 ordinary shares of 10p each	12,845	12,845
	=====	=====

**11. Parent undertaking**

The ultimate parent undertaking is Iceland Group plc which is registered in England and Wales.

Transactions with other entities within the group have not been disclosed as the Company is a wholly owned subsidiary and is included in the consolidated accounts of Iceland Group plc.

The accounts of Iceland Group plc are available from the Company's registered office.