



Bejam

Annual Report
1987

917174

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BEJAM GROUP PLC

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SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

1987

November	Annual General Meeting Final dividend
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1988

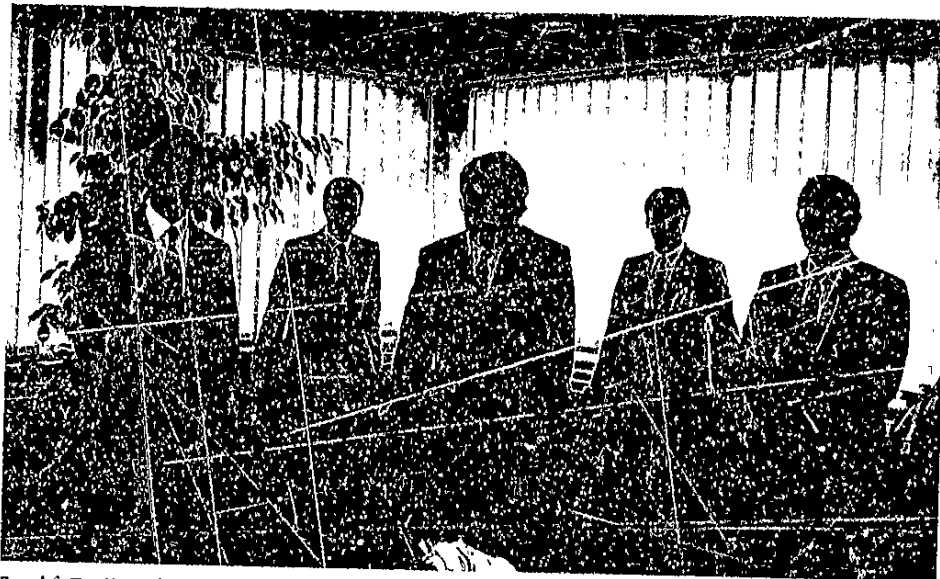
March	Interim statement
April/May	Interim dividend
October	Preliminary announcement of results

CAPITAL GAINS TAX

Share value for capital gains tax indexation purposes as at 31st March 1982 — 92:00p
(as adjusted for subsequent scrip issues)

DIRECTORS AND ADVISERS

BEIAM GROUP PLC



From left: Tim How, John Edwards, John Aphorpe, Brian Jackson, Stoy Hayward

DIRECTORS

John Dorrington Aphorpe,
Chairman (Non-Executive)

Laurence Don, F.C.A.,
Deputy Chairman

Timothy Francis How,
M.A.(Cantab.), M.Sc.,
Managing

John Michael Edwards,
B.Sc.(Econ.), F.C.A.,
Finance

Brian Jackson,
Trading

Brian Drew Aphorpe,
M.R.C.P., D.T.M.&H.,
Non-Executive

SECRETARY AND REGISTERED OFFICE

John Michael Edwards, B.Sc.(Econ.), F.C.A.,
1 Garland Road,
Honeyport Lane,
Stanmore,
Middlesex HA7 1LF

AUDITORS

Stoy Hayward,
8 Baker Street, London W1M 1DA

MERCHANT BANKERS

Kleinwort Benson Limited,
P.O. Box 560,
20 Fenchurch Street, London EC3P 3DB

REGISTRARS

Barclays Bank PLC,
Registration Department,
P.O. Box 34,
Octagon House,
Gadbrook Park,
Northwich,
Cheshire CW9 7RT

SOLICITORS

Berwin Leighton,
Adelaide House,
London Bridge,
London EC 4R 9HA

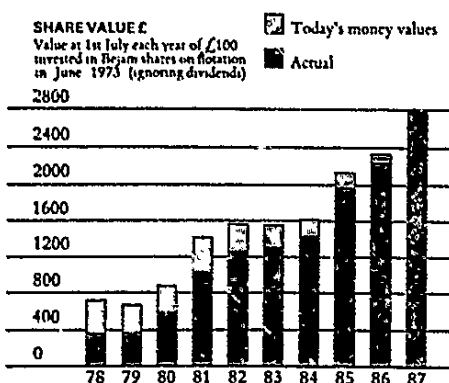
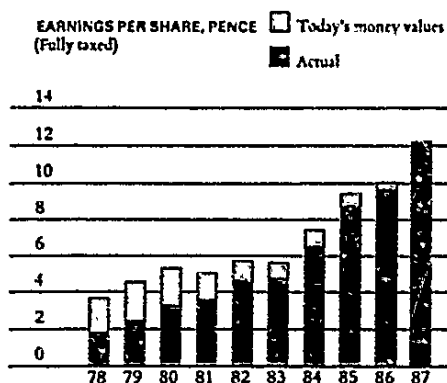
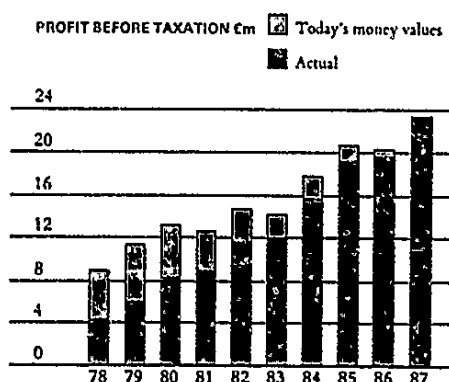
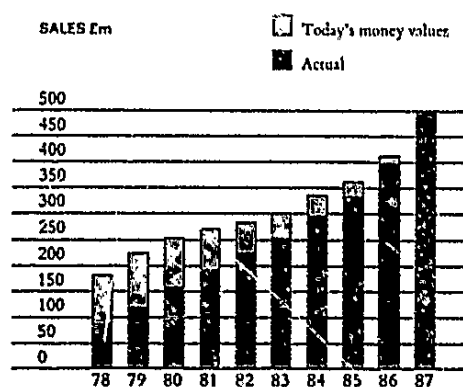
STOCKBROKERS

Capel-Cure Myer,
65 Holborn Viaduct,
London EC1A 2EU

FINANCIAL HIGHLIGHTS

BEJAM GROUP PLC

	1987 £000	1986 £000	Percentage Change
SALES	496,776	399,453	+24.4
PROFIT			
Before taxation	23,559	19,710	+19.5
After taxation	14,666	11,860	+23.7
	pence	pence	
EARNINGS PER SHARE			
Before taxation	18.82	15.82	+19.0
After taxation	11.72	9.52	+23.1
DIVIDENDS PER SHARE	4.75	4.25	+11.8



Further financial and statistical information covering a ten year period can be found on page 24

CHAIRMAN'S STATEMENT

BEJAM GROUP PLC



I am pleased to announce substantially increased profits for the 53 weeks ended 4th July 1987, from turnover of almost half a billion pounds.

PROFITS & DIVIDENDS

Profit before taxation rose by almost 20% to £23,559,000, from £19,710,000 in the previous year. Sales rose by a larger proportion (24%) as a result of the inclusion of Victor Value turnover for a full year compared with only 20 weeks in 1985/86. In the freezer centre business net margins continue to improve and profit per square foot of retail space remains near the top of the league of food retailers.

Following the reduction in the Corporation Tax rate to 35% the taxation charge was £8,893,000. The profit after taxation has risen by 24% to £14,666,000, and the rise in earnings per share was 23%.

After a small contribution from extraordinary gains, the profit for the year amounted to £14,916,000.

An interim dividend of 2.25p per share was paid on 1st May 1987, and your Directors recommend a final dividend of 2.50p per share. The year's total of 4.75p compares with 4.25p paid last year.

FREEZER CENTRES TRADING

Retail sales of food in freezer centres increased by 12% to £371,306,000 (excluding VAT) — three-quarters of total Group turnover. Price inflation

continued to be insignificant at about half the rate of increase in the retail price index, whilst sales volume gains in existing stores were greater than those experienced last year. The additional stores detailed overleaf contributed strongly to the overall sales growth.

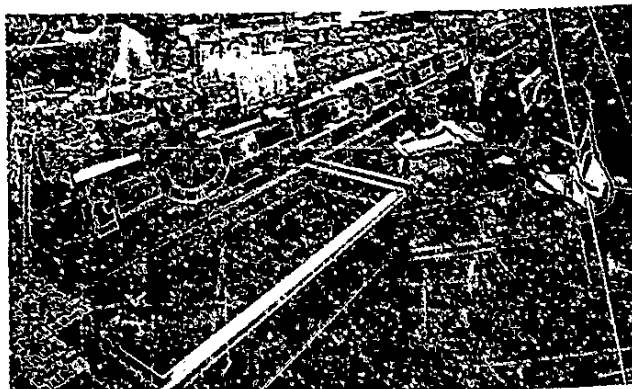
Continuing emphasis has been placed upon the introduction of innovative, healthier and more convenient frozen foods, with over 100 Bejam-label lines introduced in the year. In addition, re-designed packaging for frozen foods (of which Bejam-label products represent two-thirds of sales) is being introduced, reinforcing a dramatic style of advertising which shows our interesting new products in eye-catching colour. Examples of these advertisements featuring Lemon Chicken, Légumes Parisiennes and one of our ice cream Bombes are reproduced here.

With the increasing attractiveness of the goods on offer, it becomes ever more important that we are able to display them to greater effect in-store. We are very pleased to now have available a new type of glass-lidded freezer cabinet which does not suffer from the many defects of earlier versions of "see-through" lids often employed by our competitors.

Consequently all new stores since May have opened with these freezers and we have embarked on a programme of conversion and re-equipping which will



A Bejam home economist discussing new products with a customer at a store fitted with the new glass-lidded freezers.



cover virtually all stores in the course of the next three years; whilst such work is being undertaken, many stores will also receive a general refurbishment to bring their appearance closer to that of the latest openings.

In the first half of the year we significantly widened the range of non-frozen foods on offer by utilising much of the space above the freezer cabinets for display; additionally, 90% of our stores now offer chilled fresh food. However, it is important to realise that 70% of food sales in our freezer centres are still of frozen product. We anticipate maintaining this mix of goods whilst continually refining the exact range of

items stocked in order to satisfy demand.

At £29,522,000, the sale of domestic appliances continues to be very important to the Group, not only for the trading result and customer loyalty which arise, but also for the contribution to profits generated by our in-house servicing and insurance scheme, which is purchased by the vast majority of appliance buyers. This operation has been carefully nurtured for some 18 years, and now provides cover for two-thirds of a million customers through a team of 80 staff engineers and fitters responding to emergency calls within hours; its reputation for prompt, no-nonsense service is second to none.

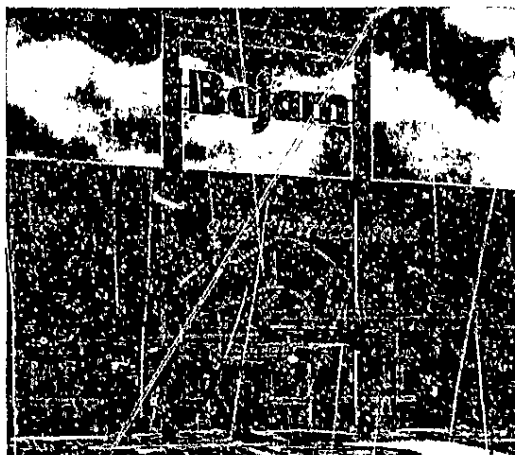
The year contained an important milestone with the sale of our one-millionth freezer, whilst our success in selling the more recently introduced refrigerators and microwave cookers encouraged us to add the sale of dishwashers in a trial batch of 40 stores in the Home Counties. With the aid of an installation and service operation provided by our existing engineering team we are hopeful that we can be well positioned to take full advantage of a

market which is predicted to grow strongly.

FREEZER CENTRES DEVELOPMENT

No fewer than 32 new stores began operating under the Bejam fascia during the year; both the number and the additional 142,000 square feet of retail space significantly exceeded the openings of any previous year. This takes our total (after the closure of 10 small stores) to 251 locations selling from 1,177,000 sq. ft.: a net increase in retail space of over 10% in the year.

Included in the above figures are 13 stores in Scotland purchased from Wm. Low & Company PLC, which had traded



Our new store situated in the Parkgate Centre's "Retail World" in Rotherham's Enterprise Zone

as "Lowfreeze" freezer centres until 29th June 1987. Whilst their average size of 3,100 sq. ft. is smaller than our normal requirements, the acquisition gave us representation for the first time in Edinburgh (4 stores), Dundee (2 stores) and Aberdeen, perfectly complementing the nine existing Bejam stores to create a national coverage in Scotland with market dominance. Seven of the stores acquired are freehold and several have potential for extension.

One particularly interesting store opening was at Rotherham, which is unique in our portfolio being within a "retail park" of larger non-food units in a city-centre Enterprise Zone. Its first few



CHAIRMAN'S STATEMENT

BEJAM GROUP PLC

Stores opened during the Financial Year with sales area in sq. ft.			
Bedminster	4,800	Ex-Lowfteeze:	
Biggin Hill*	4,100	Aberdeen	3,000
Bognor Regis	6,500	Alloa	3,200
Boscombe*	4,400	Ayr	3,000
Bridgwater	4,600	Dundee:	
Chichester*	5,500	Broughty Ferry	3,000
Coventry*	8,600	Lochee	3,000
Crewe	4,500	Edinburgh:	
Ferndown, Dorset	5,500	Corstorphine	3,000
Harrow Weald	4,500	Davidsons Mains	4,000
Havant	4,300	Juniper Green	3,000
Leigh-on-Sea	5,800	Portobello Road	4,500
Loughborough	4,600	Glenrothes	2,700
Petts Wood	6,500	Hamilton	2,300
Poole*	4,600	Paisley	3,000
Rotherham	6,500	Whitburn	2,500
Stubbington, Hants.	3,800		
Watford*	6,800		
West Wickham*	5,700		
*Relocations from smaller stores nearby			

weeks trading have pleased us, in a part of the country where we are little known.

In our continuous search for suitable new stores we are adopting a more aggressive approach to those regions where our representation is thin or non-existent, and several interesting sites are in prospect. However, even in the south where our main strength lies, there remain very many towns and suburbs which merit a new or resited Bejam freezer centre.

The current half-year should record the opening of 15 new stores, including 5 from a package of freezer centres purchased from J. Sainsbury plc, and prospects for 1988 are encouraging.

VICTOR VALUE

It has been an active year for the limited range discount supermarket division which was acquired by us in February last year. All buying, administrative and computer functions were successfully integrated into the Bejam head office at Stanmore and six additional branches opened bringing the total to 49 after taking into account the closure of two unprofitable stores. Turnover excluding VAT and concession income

totalled £89,133,000 in its first full year.

Further new properties for this division are at various stages of negotiation and work is progressing on a programme of improving and refurbishing existing supermarkets. A major exercise in staff scheduling was undertaken and the current year will benefit from the additional efficiency and cost savings achieved.

MANAGEMENT AND STAFF

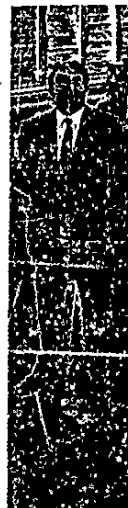
On 5th June 1987 significant changes to Board responsibilities were announced. After nearly 19 years I have given up my executive responsibilities; however, I shall remain very much in evidence as Chairman. At the same time Laurence Don relinquished his position of Managing Director in order to concentrate on property, new store development and corporate strategy as full-time Deputy Chairman; Laurence has been Managing Director during 13 years of rapid growth and deserves the thanks of all shareholders for his contribution.

Tim How, who joined us as Marketing Director of Bejam Freezer Food Centres Limited in 1983 and was appointed to the Group Board in 1985, has been appointed Managing Director. I have great faith that his age, ability and enthusiasm will provide the impetus to drive the Group forward in the future at a pace which will bear comparison with the past.

Changes of this nature were first envisaged some 4 years ago when we went outside the Group to recruit experienced Executives to our main trading company Board. Together with existing Directors who had developed their careers internally, this has created a strong management team ensuring continuity at the top.

I am pleased to record that about 2,150 employees will receive an allocation of shares under the Employee Profit

*Directors of Bejam Freezer
Food Centres Limited
(from left): John Kelly, Dick
Brown, Charles Rathgay,
Roger Brooks, Rod Alexander,
Mike Jones, Jill McWilliam,
Dennis Keys, Jim White,
Martin Ward.*



Sharing Scheme, accounting for 3½% of profit before taxation under the revised rules introduced last year which place greater emphasis on profit growth. Your Board feels that such recognition is most appropriate given the efforts demonstrated by our employees in achieving these results.

Bejam has always taken pride in the relationship between its customers and its staff, but 1987 gave us the opportunity to further improve our standards of service by undertaking a large-scale staff training exercise under the title "Customer Care".



We continue to receive very many letters of appreciation from grateful customers whose experience at particular branches has been abnormally good by today's High Street standards.

A. W. PERRY

I wrote last year that ill health forced Bill Perry to resign his directorship; I am sorry now to report to you that Bill died in April of this year. Our sympathies are with his family, whilst both Bejam and I have lost a close friend without whose strength and ability the Group would not have developed as it has

FUTURE PLANS

We are committed to successful continuing expansion of the freezer centre

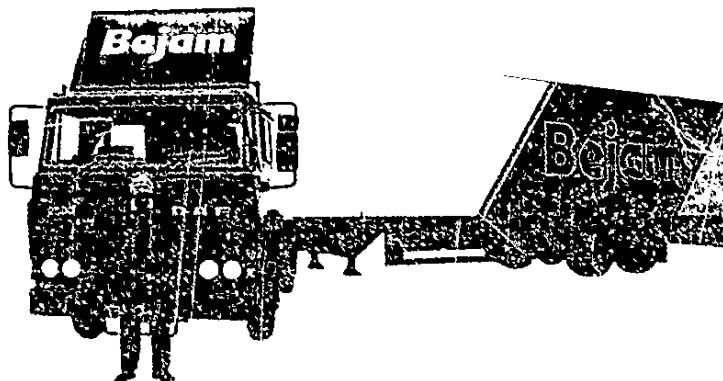
business, maintaining our position as the number one frozen food specialist. It is our ambition to operate a Bejam store in every major town in Great Britain.

From such a strong base we intend to build a Group which also has interests in other growth markets — almost certainly retail-orientated. A further step has recently been taken by acquiring a small company which currently operates two Wizard Wine Warehouses in the London area, selling to retail customers a wide range of good value wines and beers in bulk. It is our intention to expand this business rapidly, and several Wizard units will appear both independently and adjacent to new Bejam stores in the coming months.

CURRENT TRADING

We go into the new financial year in the knowledge that we shall see a full year's contribution from the record number of additional stores opened in the twelve months to 4th July, 1987. This, combined with the benefits accruing from work done to existing stores and improvements to the product range, gives me the confidence to forecast another successful year.

J. D. Apthorp



DIRECTORS' REPORT

BEJAM GROUP PLC

The Directors have pleasure in presenting their Annual Report and Accounts for the 53 weeks ended 4th July 1987 ("the year").

PRINCIPAL ACTIVITIES

The Group's principal activity is the multiple retailing of food and domestic appliances, including the servicing of such appliances.

REVIEW OF THE BUSINESS

Turnover and profits in the freezer centre business showed growth arising from both increasing volumes in existing stores and the opening of 32 new stores, including 13 acquired from Wm. Low & Company PLC at the end of the year. A substantial number of store openings are expected in the current year.

Changes in fixed assets are shown in note 11 to the Financial Statements.

PROFIT AND DIVIDENDS

The Group Profit for the year is shown in the Consolidated Profit and Loss Account on page 10. The Directors recommend a final dividend in respect of the 53 weeks ended 4th July 1987 of 2.50p per share on the issued and fully paid share capital. This dividend, if approved at the Annual General Meeting, will be payable on 23rd November 1987 to shareholders on the register at 5th November 1987. An interim dividend in respect of the same period of 2.25p per share was paid on 1st May 1987 on the fully paid share capital. The total dividends for the year together with the associated tax credits are equivalent to a gross dividend of 6.51p per share.

SHARE CAPITAL

Changes in the issued share capital are shown in note 19 to the Financial Statements.

COMPANIES ACT 1985

The Companies Act 1985 prevents Directors allotting unissued shares without the authority of shareholders in general meeting. The Directors therefore seek authority in Resolution 5 to allot up to 24,493,867 shares for a period of five years. There is no present intention to issue further shares except to present and future option-holders under the staff share option schemes and as annual allotments under the Employee Profit Sharing Scheme.

When shares are allotted under such a general authority for cash, such allotment is normally required to be offered first to existing shareholders in proportion to their existing shareholdings ("pre-emption rights"). As the Directors may wish to allot equity securities for cash other than through a rights issue (as is now permitted by The Stock Exchange without further approval by shareholders on each occasion), it is necessary for the Directors to seek authority from shareholders to waive partially their pre-emption rights. Resolution 6 asks shareholders to do this for one year by allowing the Directors to allot for cash (other than by way of rights) a maximum of 3,137,653 shares, being 2½ per cent of the Company's present issued share capital.

The limit of 2½ per cent protects existing shareholders from significant dilution of their interests.

The Directors are also proposing in Resolution 7 to amend the Articles of Association of the Company to include the power to disfranchise members in cases where there is default in supplying information in compliance with a notice served under the Companies Act 1985 seeking the name of the beneficial owner of nominee-held shares.

FINANCE ACTS 1986 AND 1987

The Finance Act 1986 permitted the early exercise of an employee share option if the option holder's employing company or business is disposed of to a third party.

The Finance Act 1987 introduced provisions whereby on certain changes in control of the company which granted him his option, an option holder may, subject to specified terms and the agreement of the acquiring company, allow his option rights to lapse in exchange for the grant to him of new options, equivalent to and on the same terms as the old options, for shares in the acquiring company.

Your Board considers that it is desirable to amend the rules of the Executive Option Scheme and the Save-as-you-Earn Option Scheme to take advantage of these changes in law in order to protect the interests of employees generally and maintain the tax-efficiency of the Schemes, and Resolutions 8 and 9 respectively ask shareholders' approval.

DIRECTORS

Directors who held office during the year are shown on page 2. Mr. L. Don retires by rotation and is eligible for re-election; he holds a service contract which expires on 21st February 1992.

Mr. J. D. Apthorp became non-executive on 5th July 1987. He is aged 52 and has been chairman of Bejam Group PLC throughout its 19-year existence. His other directorships include Lodge Care PLC.

Dr. B. D. Apthorp, one of the two original subscribers to the Company and the brother of the Chairman, has served as a non-executive director of Bejam Group PLC since its formation. He is 49 years old and has been resident in Hong Kong since 1969. He is a medical practitioner and Executive Chairman of Professional Medical Services Limited, a company which provides management services to a large Hong Kong group medical practice.

DIRECTORS' INTERESTS IN SHARES

Directors' interests in Ordinary shares of 10p each in the Company were as follows:

	4th July 1987			28th June 1986		
	Beneficial and Family Interests		Non-Beneficial as Trustees	Beneficial and Family Interests		Non-Beneficial as Trustees
	Issued	Under Option†	Issued	Issued	Under Option†	Issued
J. D. Apthorp	12,604,851	—	5,819,173‡	13,924,007	—	5,819,173‡
L. Don	153,849	205,648	169,013‡	191,067	203,175	169,013‡
T. F. How	1,286	118,830	—	600	86,830	—
J. M. Edwards	56,799	113,012	—	56,313	101,828	—
B. Jackson	3,894	107,750	—	2,558	68,750	—
B. D. Apthorp	8,896,942	—	—	8,896,942	—	—

† Executive Option Scheme and SAYE Option Scheme.

‡ 169,013 (1986 169,013) held jointly by Mr. J. D. Apthorp and Mr. L. Don.

All the above shareholdings were unchanged from 4th July 1987 to 25th September 1987.

Other than the Directors and their family interests, together with Barclaytrust Channel Islands Ltd. (8,111,261 shares) the Register of Shareholders does not disclose at 25th September 1987 any other persons holding or beneficially interested in five per cent or more of the share capital of the Company.

None of the Directors has or has had any beneficial interest in the share capital of the subsidiaries.

EMPLOYEE INVOLVEMENT

The employees of the Group are its major strength, and it is only with their commitment and ability that this year's pleasing results have been achieved. Their sense of involvement has been actively encouraged for the past six years by easily-accessible Profit Sharing and SAYE Share Option Schemes, whilst the performance of the Group has been carefully communicated to all staff—particularly through the annual Staff Report, a copy of which is again enclosed for shareholders' interest.

EMPLOYMENT OF DISABLED PERSONS

The policy of the Group is to give full and fair consideration to all disabled persons applying for employment whilst having due regard to their abilities and aptitudes for the positions available, and any existing employee who becomes disabled would be given the necessary training to ensure that, wherever possible, continuity of employment can be maintained. Career advancement and training opportunities exist for all employees and equal consideration is given to each individual within the limitations of ability.

AUDITORS

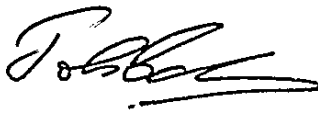
The Auditors, Stoy Hayward, are willing to continue in office and a Resolution to re-appoint them as Auditors and to authorise the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

TAXATION STATUS

The Directors have been advised that the Company is not a close company as defined in the Income and Corporation Taxes Act 1970.

By Order of the Board

J. M. EDWARDS Secretary



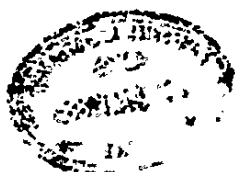
15th October 1987

CONSOLIDATED PROFIT AND LOSS ACCOUNT

BEJAM GROUP PLC

		53 weeks ended 4th July 1987 £,000	52 weeks ended 28th June 1986 £,000
	Notes		
Retail Turnover (excluding VAT)		496,776	399,453
Cost of sales		(431,561)	(346,693)
Gross profit		65,215	52,760
Other operating income	2	1,752	2,331
Other operating expenses	3	(42,554)	(34,560)
Profit on ordinary activities before profit sharing and taxation		24,413	20,531
Allocation to Employee Profit Sharing Scheme	6	(854)	(821)
Profit on ordinary activities before taxation		23,559	19,710
Tax on profit on ordinary activities	7	(8,893)	(7,850)
Profit on ordinary activities after taxation		14,666	11,860
Extraordinary items	8	250	3,499
Profit for year		14,916	15,359
Dividends paid and proposed	9	(5,961)	(5,305)
Profit for year retained	21	8,955	10,054
Earnings per share:	10		
On ordinary activities before taxation		18.82p	15.82p
On ordinary activities after taxation		11.72p	9.52p

The notes on pages 13 to 22 form part of these accounts



BALANCE SHEETS

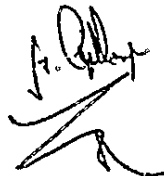
BEJAM GROUP PLC

		Consolidated		The Company	
		At 4th	At 28th	At 4th	At 28th
		July	June	July	June
		1987	1986	1987	1986
	Notes	£000	£000	£000	£000
EMPLOYMENT OF CAPITAL					
Fixed Assets:					
Tangible assets	11	108,473	93,761	—	—
Investments	13	639	555	52,511	43,755
		109,112	94,316	52,511	48,750
Current Assets:					
Stocks	14	34,367	34,565	—	—
Debtors	15	12,648	10,902	10,623	8,982
Cash at bank and in hand		1,126	1,226	50	103
		48,141	46,693	10,673	9,085
Creditors falling due within one year	16	(95,795)	(79,818)	(10,421)	(9,998)
Net current assets (liabilities)		(47,654)	(33,125)	252	(913)
Total assets less current liabilities		61,458	61,191	52,763	47,842
Creditors falling due after one year	17	—	(5,000)	—	—
Provision for liabilities and charges	18	(5,265)	(5,656)	—	—
Net Assets		56,193	50,535	52,763	47,842
SOURCES OF CAPITAL					
Capital and Reserves:					
Called-up share capital	19	12,550	12,482	12,550	12,482
Share premium account	20	2,625	1,714	2,625	1,714
Profit & loss account	21	41,018	36,339	37,588	33,646
Shareholders' Funds		56,193	50,535	52,763	47,842

The notes on pages 13 to 22 form part of these accounts

J. D. Aphorpe
L. Don

Directors




STATEMENT OF SOURCE AND APPLICATION OF FUNDS

BEJAM GROUP PLC

	53 weeks ended 4th July 1987		52 weeks ended 28th June 1986	
	£000	£000	£000	£000
SOURCE OF FUNDS				
FUNDS GENERATED FROM OPERATIONS				
Group profit before taxation and profit sharing		24,413		20,531
Extraordinary items before taxation	377		5,054	
Deduct profit on sale of shares in related companies (dealt with below, ¹)	(377)		(7,151)	
		—		(2,097)
Adjustment for items not involving the movement of funds:				
Depreciation		8,917		7,341
Related companies' profit/indebtedness		(182)		(215)
		33,148		25,560
FUNDS FROM OTHER SOURCES				
Proceeds from sale of fixed assets	875		3,059	
Proceeds from sale of shares in related companies	377		8,001	
Proceeds from sale of unquoted investments	50		50	
Medium term loan	—		5,000	
Proceeds of share issues	988		1,011	
Dividends from related companies	30		45	
		2,320		17,166
		35,468		42,726
CHANGES IN WORKING CAPITAL				
Increase in amounts due to related companies	5		533	
Decrease (increase) in stocks	198		(8,132)	
Increase in debtors	(1,801)		(3,345)	
Increase in trade creditors etc.	8,238		16,643	
		6,640		5,699
		42,108		48,425
APPLICATION OF FUNDS				
Purchase of tangible fixed assets	(24,504)		(30,558)	
Goodwill on acquisitions	(4,276)		(5,815)	
Taxation paid (including A.C.T.)	(8,701)		(9,149)	
Dividends paid	(5,632)		(4,982)	
Expenses of share issues	(9)		(12)	
Employee Profit Sharing Scheme	(821)		(801)	
		(43,943)		(51,317)
DECREASE IN BANK BALANCES, DEPOSITS AND CASH		(1,835)		(2,892)

The notes on pages 13 to 22 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS

BEJAM GROUP PLC

1 ACCOUNTING POLICIES

There have been no changes in accounting policies during the year. These Financial Statements have been prepared under the historical cost convention adopting the following principal accounting policies:

(a) BASIS OF CONSOLIDATION

The consolidated profit and loss account and balance sheet include the accounts of the parent company and all its subsidiaries.

Turnover is defined as sales of goods and services to retail customers. Any internal sales and profits are eliminated on consolidation, and all sales and profit figures relate to external transactions only.

(b) GOODWILL

Goodwill arising on consolidation or by direct purchase and representing the excess of the purchase price over the fair value of the net assets acquired is written-off directly to reserves in the year in which it occurs.

(c) RELATED COMPANIES

Related companies are companies which are not subsidiaries, in which the Group has an interest of 50 per cent. The Group's share of the profits (losses) of such companies is incorporated in the accounts and the investment therein is stated in the consolidated balance sheet at cost together with the Group's share of retained profits (losses).

(d) DEPRECIATION

No depreciation is provided on freehold properties as the Group's policy is to maintain its properties in good condition so as to prolong their useful lives, and any depreciation involved would not be material. Investment properties are valued by the Directors at open market value for existing use. Leasehold improvements and attributable premiums are amortised in equal instalments over the lesser of the unexpired term of the leases or fifty years except that premiums paid on the acquisition of leasehold properties applicable to rental benefits are written off over the period to the first open market rent review.

Depreciation is provided on other fixed assets to write them off over their expected useful lives in equal instalments at the following rates:

Plant and equipment	8 $\frac{1}{3}$ -33 $\frac{1}{3}$ % p.a.
Motor vehicles including trailers	10-25% p.a.

Where disposal is contemplated further depreciation is provided where necessary to write down assets to anticipated realisable values.

(e) STOCKS

Stocks are valued at the lower of cost and net realisable value. For branch food stocks cost is calculated at retail price less standard margin, while for all other stocks actual supplier cost is used (with storage charges added where applicable).

(f) APPLIANCE REPAIR AND FOOD INSURANCE CONTRACTS

The revenue from appliance repair and food insurance contracts entered into by customers is credited to the profit and loss account in equal instalments over the period of the contracts.

NOTES TO THE FINANCIAL STATEMENTS

BEJAM GROUP PLC

1 ACCOUNTING POLICIES *continued*

(g) DEFERRED TAXATION

Deferred taxation is provided under the liability method to the extent that it is likely to become payable in the foreseeable future.

(h) OPERATING LEASES

Operating lease rentals are charged to the profit and loss account as they are incurred.

(i) ACCOUNTING DISCLOSURE

In accordance with s.228(7) of the Companies Act 1985 the Company is not required to present its own profit and loss account in addition to the consolidated profit and loss account.

2 OTHER OPERATING INCOME	1987 £000	1986 £000
Share of profits of related companies	45	215
Interest receivable and similar income	171	1,109
Other income	1,536	1,007
	1,752	2,331

3 OTHER OPERATING EXPENSES	1987 £000	1986 £000
Distribution costs	19,195	14,766
Administration expenses (including Directors' remuneration and pension scheme contributions — see note 4)	22,475	17,877
Interest payable and similar charges, relating to loans wholly repayable within 5 years not by instalments	884	1,917
	42,554	34,560

Included in cost of sales, distribution costs and administration expenses are the following items:

	1987 £000	1986 £000
Depreciation of tangible fixed assets	8,917	7,341
Payments made under operating leases:		
Land and buildings	9,073	7,725
Plant, equipment and motor vehicles	922	1,112
Auditors' remuneration	90	89

4 DIRECTORS' EMOLUMENTS

	1987 £000	1986 £000
Remuneration, pension scheme contributions and value of shares allocated under the Employee Profit Sharing Scheme	416	399
EMOLUMENTS (excluding pension scheme contributions):		
Chairman	83	77
Highest paid Director	103	87
All Directors:	Number	Number
£0	1	1
£15,001-£20,000	—	1
£45,001-£50,000	—	2
£55,001-£60,000	2	—
£60,001-£65,000	1	1
£75,001-£80,000	—	1
£80,001-£85,000	1	—
£85,001-£90,000	—	1
£100,001-£105,000	1	—

None of the Directors had an interest in any material contract in relation to the Group's business at any time during the year.

5 EMPLOYEES AND THEIR REMUNERATION

The number of U.K. employees (other than Directors of the Company) whose emoluments, including the value of shares allocated under the Employee Profit Sharing Scheme but excluding pension contributions, exceeded £30,000 is set out below:

	1987	1986
£30,001-£35,000	2	2
£35,001-£40,000	3	5
£40,001-£45,000	3	—
£45,001-£50,000	3	—
£50,001-£55,000	1	—

The average number of employees in each week during the year was 6,892 (1986 6,058) analysed as follows:

	1987		1986	
	Full-time	Part-time	Full-time	Part-time
Retail staff (see note below)	2,325	3,461	2,067	3,034
Other staff	1,060	46	915	42
	3,385	3,507	2,982	3,076

Retail 'full-time equivalents' averaged:

	1987	1986
Freezer centres	2,770	2,665
Victor Value (1986 20 weeks)	579	671

The aggregate remuneration of all employees amounted to £33,469,000 (1986 £27,446,000).

NOTES TO THE FINANCIAL STATEMENTS

BEJAM GROUP PLC

5 EMPLOYEES AND THEIR REMUNERATION *continued*

PENSION AND SOCIAL SECURITY COSTS

The Group makes contributions to provide pension benefits for all the employees who may join on a voluntary basis. Management is by independent Trustees and is obliged to supplement the contracted-in benefits of the State Scheme.

On the basis of the most recent actuarial information, when full solvency was certified on a discontinuance basis, the present rate of funding is adequate to meet future service liabilities.

Pension contributions by the Group for the year were £998,000 (1986 £746,000), and corresponding contributions to the State Social Security Scheme were £2,000 (1986 £2,284,000).

6 ALLOCATION TO EMPLOYEE PROFIT SHARING SCHEME

The allocation of profit for the year amounts to £854,000 (1986 £821,000), calculated as 3.5% of profit before profit sharing and taxation.

Shares to be subscribed for at market value by the Trustees following receipt of this amount will be divided amongst up to 2,150 (1986 1,816) eligible staff who have been employed throughout the year.

7 TAX ON PROFIT ON ORDINARY ACTIVITIES	1987 £'000	1986 £'000
UK Corporation Tax on profit for the year at 35% (1986 38.75%)	9,281	7,928
Transfer from deferred taxation	(391)	(164)
Group share of related companies' tax charge for the year	13	81
Adjustments in respect of previous years	(10)	5
	8,893	7,850
8 EXTRAORDINARY ITEMS	1987 £'000	1986 £'000
Gain arising on disposal of interests in Olaf Foods Group	377	7,151
Provision for costs arising from closure of computer centre	--	(2,097)
	377	5,054
Less: attributable taxation	(127)	(1,555)
	250	3,499

9 DIVIDENDS PAID AND PROPOSED

	1987			1986		
	Pence per share*	Share Capital £000	Dividend* £000	Pence per share*	Share Capital £000	Dividend* £000
Interim	2.25	12,546	2,823	2.00	12,481	2,496
Final	2.50	12,551	3,138	2.25	12,485	2,809
	4.75		5,961	4.25		5,305

*Excluding associated tax credit/advance corporation tax.

10 EARNINGS PER SHARE

The calculation of earnings per share is based on earnings before taxation of £23,559,000 (1986 £19,710,000), earnings after taxation of £14,666,000 (1986 £11,860,000) and 125,185,482 Ordinary shares, being the average number in issue during the year (1986 124,558,117).

11 TANGIBLE ASSETS

	Freehold properties £000	Leasehold properties		Plant and equip- ment £000	Motor vehicles £000	Total £000
		Long £000	Short £000			
Cost at 29th June 1986	37,057	12,494	19,483	48,782	6,834	124,650
Additions: during the year	5,073	1,113	4,355	11,145	1,893	23,579
on acquisition of subsidiary	—	—	—	42	16	58
Disposals at cost during the year	(415)	—	(365)	(659)	(650)	(2,089)
Cost at 4th July 1987	41,715	13,607	23,473	59,310	8,093	146,198
Depreciation at 29th June 1986	—	1,357	5,859	21,924	3,300	32,440
Charge for the year	—	463	1,004	6,412	1,038	8,917
Arising on acquisition of subsidiary	—	—	—	6	4	10
Elimination on disposal	—	—	(51)	(648)	(515)	(1,214)
Depreciation at 4th July 1987	—	1,820	6,812	27,694	3,827	40,153
Net Book Value at 4th July 1987	41,715	11,787	16,661	31,616	4,266	106,045
Capital works in progress at cost (1986 £1,551,000)						2,428
						108,473

Included in long leasehold properties are investment properties whose book value is £1,240,000 (1986 £1,236,000), which in the opinion of the Directors is equivalent to open market value.

12 CAPITAL COMMITMENTS NOT PROVIDED FOR

	1987 £000	1986 £000
Contracted	8,227	2,139
Authorised but not contracted	13,427	10,579

NOTES TO THE FINANCIAL STATEMENTS

BEJAM GROUP PLC

13 INVESTMENTS

The following are included in the net book value of investments:

	Consolidated		The Company	
	1987	1986	1987	1986
	£000	£000	£000	£000
Subsidiaries	—	—	51,928	48,121
Related companies	136	2	80	81
Quoted investments	3	3	3	3
Unquoted investments	500	550	500	550
	639	555	52,511	48,755

INVESTMENTS IN SUBSIDIARIES

	The Company		
	Equity	Debts	Total
	£000	£000	£000
Cost at 29th June 1986	6,878	41,406	48,284
Additions	70	3,737	3,807
Cost at 4th July 1987	6,948	45,143	52,091
Amounts written-off at 29th June 1986 and at 4th July 1987	129	34	163
Net Book Value at 4th July 1987	6,819	45,109	51,928

Principal Subsidiaries (wholly-owned unless otherwise stated)

Incorporated in Great Britain and operating in the United Kingdom:

Bejam Freezer Food Centres Limited

Plymouth Commercial Properties Limited

Bejam Manufacturing Limited

Rarefine Properties Limited

Wizard Wine Limited (75%, increased to 95% subsequent to balance sheet date)

INVESTMENTS IN RELATED COMPANIES

	Share of net assets	Consolidated		
		Debts	Premium	Total
	£000	£000	£000	£000
Balance at 29th June 1986	(8)	(40)	50	2
Increase in indebtedness	—	132	—	132
Disposals and repayments	137	(137)	—	—
Share of retained profits	2	—	—	2
Balance at 4th July 1987	131	(45)	50	136

13 INVESTMENTS *continued*
INVESTMENTS IN RELATED COMPANIES *continued*

	The Company Equity £000
Cost at 29th June 1986	81
Disposals	(1)
Cost at 4th July 1987	80

Related Company

At 4th July 1987 the Company held 30,000 Ordinary shares of £1 each (representing 50% of the equity) in Superior Foods (Mexborough) Limited, whose principal activity is meat processing.

OTHER INVESTMENTS

	Consolidated and the Company	
	Quoted Investments £000	Unquoted Investments £000
Cost at 29th June 1986	3	550
Disposals	—	(50)
Cost at 4th July 1987	3	500

The market value of the quoted investments at 4th July 1987 was £12,000 (1986 £6,000). In the opinion of the Directors the unquoted investments have net realisable value least equivalent to their book values.

14 STOCKS

	Consolidated	
	1987 £000	1986 £000
Goods for resale	33,133	32,689
Raw materials and consumable items	1,234	1,876
	34,367	34,565

15 DEBTORS

	Consolidated		The Company	
	1987 £000	1986 £000	1987 £000	1986 £000
Trade debtors	1,536	1,229	—	—
Taxation recoverable	1,161	1,216	1,161	1,216
Dividends receivable	—	—	9,030	4,800
Prepayments and accrued income	6,221	4,415	—	—
Others	3,730	4,042	432	2,966
	12,648	10,902	10,623	8,982

Included within taxation recoverable is an amount of £1,161,000 (1986 £1,147,000) which falls due for recovery after more than one year.

NOTES TO THE FINANCIAL STATEMENTS

BEFA GROUP PLC

16 CREDITORS FALLING DUE WITHIN ONE YEAR

	Consolidated		The Company	
	1987	1986	1987	1986
	£000	£000	£000	£000
Bank loans and overdrafts, etc.	9,329	2,594	4,126	2,535
Receipts on account	367	335	—	—
Trade creditors	57,036	48,188	—	—
Corporation tax	12,214	11,572	3,141	4,612
Other taxes and social security	961	939	—	—
Proposed dividend	3,138	2,809	3,138	2,809
Employee Profit Sharing Scheme	854	821	—	—
Accruals and deferred income	11,896	12,560	16	42
	95,795	79,818	10,421	9,998

17 CREDITORS FALLING DUE AFTER ONE YEAR

	Consolidated	
	1987	1986
	£000	£000
Bank loans and similar facilities	—	5,000
Payments due 1-2 years ahead	—	—

18 PROVISION FOR LIABILITIES AND CHARGES

DEFERRED TAXATION	Consolidated			
	Amount provided		Amount unprovided	
	1987	1986	1987	1986
	£000	£000	£000	£000
Accelerated capital allowances	5,849	6,407	398	577
Short term timing differences	(584)	(751)	—	—
Roll-over relief	—	—	728	613
	5,265	5,656	1,126	1,190

The decrease in the provision for deferred taxation of £391,000 (1986 £398,000) for the Group is represented by a transfer to profit and loss account. In 1986, £734,000 of this was attributable to the extraordinary items.

In addition, a Corporation Tax liability of approximately £190,000 (1986 £189,000) would arise in the event of disposal of the leasehold property at Plymouth if it were to realise the value at which it stands in the Balance Sheet.

No provision for deferred taxation is required in respect of the holding company.

19 SHARE CAPITAL

	Number of shares		£'000	£'000
	1987	1986	1987	1986
Authorised Ordinary shares of 10p each	150,000,000	150,000,000	15,000	15,000
Allotted Ordinary shares of 10p each fully paid	125,501,404	124,817,847	12,550	12,482

The number of fully paid Ordinary shares of 10p each listed by The Stock Exchange has been increased as follows:

Shares listed at 29th June 1986	124,817,847
Shares issued to the Trustees of the Employee Profit Sharing Scheme	493,983
Shares taken up under the terms of the Share Option Schemes	189,574
Shares in issue and listed at 4th July 1987	125,501,404

Total consideration received in respect of the shares issued and taken up as set out above was £988,284.

Since 4th July 1987 additional shares taken up under the terms of the Share Option Schemes amounted to 4,729 giving a total number of shares ranking for final dividend of 125,506,133.

SHARE OPTIONS				Number*	Number*
Scheme	Options Granted	Normally Exercisable	Option price per share*	outstanding at 4th July 1987	outstanding at 25th Sept. 1987
Executive	Nov. 1983	1986-1990	120.00p	35,625	35,625
	Apr. 1984	1987-1991	126.08p	12,500	12,500
	Nov. 1984	1987-1994	127.36p	673,125	673,125
	Nov. 1985	1988-1995	175.40p	615,000	615,000
	Apr. 1986	1989-1996	149.40p	52,500	52,500
	Oct. 1986	1989-1996	151.40p	90,000	90,000
	Apr. 1987	1990-1997	160.20p	278,000	278,000
Save-As-You-Earn†	Jan. 1982	1987-1989	85.25p	219,054	213,424
	Nov. 1982	1988-1990	120.10p	95,932	93,986
	Nov. 1983	1989-1991	110.16p	39,927	39,927
	Nov. 1984	1990-1992	115.92p	113,699	113,061
	Nov. 1985	1991-1993	157.68p	82,838	82,369
	Nov. 1986	1992-1994	149.58p	242,027	238,521
Total number of options outstanding				2,550,227	2,538,038

*Adjusted for subsequent scrip issues where applicable

†SAVE options are exercisable after 5 or 7 years, as selected at time of grant

20 SHARE PREMIUM ACCOUNT

	Consolidated and the Company £'000
At 29th June 1986	1,714
Received in period on issue of shares	920
Expenses of share issues	(9)
At 4th July 1987	2,625

NOTES TO THE FINANCIAL STATEMENTS

BEJAM GROUP PLC

21 PROFIT AND LOSS ACCOUNT

	Consolidated £000	The Company £000
At 29th June 1986	36,339	33,646
Goodwill on acquisitions written-off	(4,276)	-
Profit for the year retained	8,955	3,942
At 4th July 1987	41,018	37,588

22 COMMITMENTS UNDER OPERATING LEASES

At 4th July 1987 the Group was committed to make payments during the ensuing year under operating leases which are due to expire:

	Land and buildings		Plant, equipment and motor vehicles		Total	
	1987 £000	1986 £000	1987 £000	1986 £000	1987 £000	1986 £000
within 1 year	145	69	361	112	506	181
between 1 and 5 years ahead	597	311	921	852	1,518	1,163
more than 5 years ahead	9,467	7,734	-	-	9,467	7,734
	10,209	8,114	1,282	964	11,491	9,078

23 CONTINGENT LIABILITIES

The Group has given certain warranties and indemnities in respect of the disposal of its interests in the Olaf Group of Companies.

24 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors on 15th October 1987.

REPORT OF THE AUDITORS

TO THE MEMBERS OF BEJAM GROUP PLC

We have audited the Financial Statements on pages 10 to 22 in accordance with approved auditing standards.

In our opinion the Financial Statements, which have been prepared under the historical cost convention, give a true and fair view of the profit and source and application of funds of the group for the 52 weeks ended 4th July 1987 and of the state of affairs of the group and the company at that date, and in accordance with the Companies Act 1985.

15th October 1987

Stoy Hayward
STOY HAYWARD

NOTICE OF MEETING

BEJAM GROUP PLC

BEJAM GROUP PLC

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be held at Butchers Hall, 87 Bartholomew Close, London, E.C.1 on Friday 20th November 1987 at 12 noon for the following purposes.

As ordinary business:

1. To receive and adopt the Directors' Report and Financial Statements for the 53 weeks ended 31st July 1987. (Resolution 1)
2. To declare a Final Dividend of 2.5p per share on the fully paid Ordinary shares. (Resolution 2)
3. To re-elect Mr. L. Don as a Director. (Resolution 3)
4. To re-appoint Stoy Hayward as Auditors and to authorise the Directors to fix the Auditors' remuneration. (Resolution 4)

As special business, to consider and if thought fit pass the following Resolutions of which those numbered 5, 8 and 9 will be proposed as Ordinary Resolutions and those numbered 6 and 7 will be proposed as Special Resolutions:

5. That the Board be and is hereby generally and unconditionally authorised to exercise all the powers of the company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to a maximum of 24,493,867 Ordinary shares of 10p each during the period from the date of the passing of this Resolution up to and including 19th November 1992 on which date such authority will expire, provided that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired. (Resolution 5)
6. That subject to the passing of the preceding Resolution 5 the Board be and is hereby empowered, pursuant to Section 95 of the Companies Act 1985, to allot further equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority conferred by the preceding Resolution 5 as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment, provided that this power shall be limited:
 - (a) to the allotment of equity securities in connection with an issue in favour of Ordinary shareholders where equity securities respectively attributable to the interests of the Ordinary shareholders are proportionate (as nearly as can be) to the respective numbers of Ordinary shares held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise; and
 - (b) to the allotment of equity securities in any other circumstances up to an aggregate of 3,137,653 Ordinary shares of 10p eachand shall expire on the day of the annual general meeting of the company held in 1988 save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. (Resolution 6)
7. That the Articles of Association of the Company be and are hereby amended by the inclusion of the following new Article:

Article 57a:
Temporary cessation of rights of shareholders to attend and vote at meetings
Where the holder of any shares in the Company, or any person named as having any interest in any shares in the Company in reply to any notice served on the holder or on a person previously so named, fails to comply within twenty-eight days with any notice given by the Company under the Companies Act, requiring him to give particulars of any interest in those shares, the Company may give the holder a further notice to the effect that from the service thereof the shares will not confer on the holder any right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of shares of the same class until the former notice has been complied with and accordingly the shares shall not confer any right to attend or vote. Any further notice given pursuant to this article may be cancelled by the Directors at any time and shall automatically cease to have effect in respect of any shares transferred upon registration of the relevant transfer. (Resolution 7)
8. That in the case of the Save-as-you-Earn Option Scheme (adopted 12th November 1981) subject to and forthwith upon the approval of the Board of Inland Revenue thereto, the directors be and they are hereby authorised to amend the Rules of such Scheme as permitted by the Finance Act 1986 to enable option holders in the event that the employing company or business is disposed of to a third party, to have the additional right to exercise their options within six months of that disposal, and to do all acts and things necessary to carry the same into effect. (Resolution 8)
9. That in the case of the Executive Option Scheme and the Save-as-you-Earn Option Scheme (adopted 12th November 1981) subject to and forthwith upon the approval of the Board of Inland Revenue thereto, the directors be and they are hereby authorised to amend the Rules of such Schemes as permitted by the Finance Act 1987 to enable option holders, in the event that control of the Company is acquired by another company, to have the additional right to exchange options over the Company's shares for options over shares in the acquiring company, or in another eligible company, and in each case to do all acts and things necessary to carry the same into effect. (Resolution 9)

By Order of the Board

J. M. EDWARDS

Secretary

22nd October 1987

Registered Office:

1 Garland Road, Honeyput Lane,
Stanmore, Middlesex HA7 1LE

A member entitled to attend and vote at the Meeting may appoint a proxy or proxies to attend and, on a poll, to vote. A proxy need not be a member of the Company. Forms of proxy to be valid must reach the Registrars of the Company at least forty-eight hours before the Meeting.

Copies of the following documents will be available for inspection by members at the Company's registered office during usual business hours on any weekday (Saturdays excepted) from the date of this notice until the date of the Annual General Meeting. These documents will also be available for inspection at the place of the meeting from 11.45 a.m. until the end of the Annual General Meeting:

- (a) Copies of Directors' contracts of service
- (b) The Rules of the Beam Group Save-as-you-Earn Option and Executive Option Schemes
- (c) The Memorandum and Articles of Association of the Company

TEN YEAR RECORD

DEJAM GROUP PLC

Year to end-June	1978	1979	1980	1981†	1982	1983	1984	1985	1986	1987‡
£000 (unless otherwise indicated)										
CONSOLIDATED TURNOVER (RETAIL)	88,133	119,006	157,994	192,847	224,878	252,825	296,245	336,347	399,453	496,776
Increase on previous year	14.9%	35.0%	32.8%	22.1%	16.6%	12.4%	17.2%	13.5%	18.8%	24.4%
Net margin (before profit sharing and tax)	5.01%	5.08%	5.24%	4.83%	5.43%	4.91%	5.50%	5.95%	5.14%	4.91%
PROFIT BEFORE PROFIT SHARING AND TAX	4,418	6,044	8,273	9,315	12,202	12,419	16,304	20,021	20,531	24,413
Increase (decrease) on previous year	(8.0%)	36.8%	36.9%	12.6%	31.0%	1.8%	31.3%	22.8%	2.5%	18.9%
Profit sharing	—	—	—	294	457	409	633	801	821	854
Tax charged	319	1,125	673	3,875	4,822	4,113	7,344	8,532	7,850	8,893
Profit after profit sharing and tax	4,099	4,919	7,600	5,146	6,923	7,897	8,327	10,888	11,860	14,666
Extraordinary items	—	—	462	(1,854)	—	—	(2,864)	(271)	3,499	250
EARNINGS PER SHARE (after notional tax charge)*	1.77p	2.41p	3.30p	3.59p	4.62p	4.70p	6.52p	8.74p	9.69p	12.23p
Increase (decrease) adjusted for changes in R.P.I.	(17.6%)	25.0%	15.6%	(4.3%)	15.7%	(3.6%)	32.0%	27.0%	5.9%	21.9%
DIVIDENDS PER SHARE*	0.73p	0.98p	1.35p	1.65p	2.20p	2.60p	3.00p	3.75p	4.25p	4.75p
FREEZER CENTRES										
Number of stores at financial year-end	144	151	163	171	184	195	207	215	229‡	251
SALES AREA										
Total at financial year-end (000 sq.ft.)	473	520	575	651	743	821	900	961	1,064	1,177
New sales area (net) (000 sq.ft.)	57	47	55	76	92	78	79	61	103	113
Net increase during year	13.7%	9.9%	10.6%	13.2%	14.1%	10.5%	9.6%	6.8%	10.7%	10.6%
New store openings	15	14	22	19	18	14	14	12	18	32**
Average size of new stores (sq.ft.)	3,800	4,100	3,700	5,400	5,600	6,000	5,500	5,900	6,200	4,400**
Average size of all stores at year-end (sq.ft.)	3,300	3,400	3,500	3,800	4,000	4,200	4,300	4,500	4,600	4,700
SALES STATISTICS										
Average food sales per store (incl. VAT) (£ per week)	11,400	14,400	18,200	20,300	23,100	23,900	26,700	28,500	29,500	30,900
Freezers, microwave cookers, refrigerators & dishwashers sold (number)	48,900	78,400	75,800	97,400	111,300	149,200	158,700	182,500	201,900	207,700

*Adjusted in respect of capitalisation issues in 1979, 1981 and 1984; notional tax charge at 52% until 1983, 48.75% in 1984, 43.75% in 1985, 38.75% in 1986 and 35% in 1987

†1981 and 1987 — 53 weeks.

‡In addition, 45 Victor Value stores averaging 5,100 sq ft. sales area were purchased in 1986.

**1987 includes 13 'Lowfreeze' stores acquired with an average sales area of 3,100 sq ft.; other openings averaged 5,400 sq ft.