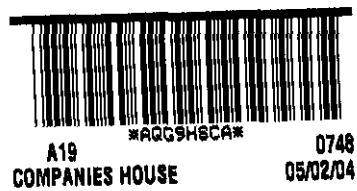


Company Registration No. 1476371

**BEAKHOUSE LIMITED**

**Annual Report and Financial Statements**

**53 weeks ended 3 May 2003**



**BEAKHOUSE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS 2003**

<b>CONTENTS</b>	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the financial statements</b>	<b>7</b>

# BEAKHOUSE LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 53 weeks ended 3 May 2003. Comparative figures are for the 52 weeks ended 27 April 2002.

### PRINCIPAL ACTIVITY

The activity of the Company is investment. The directors anticipate that this activity and the financial position of the Company will be maintained.

### RESULTS

The results of the Company are shown on page 5.

### DIVIDENDS

The directors recommend that no dividend be paid (2001/02 £nil).

### DIRECTORS

The directors of the Company during the period were:

G D Budd  
M J Sidders

Both directors served throughout the period.

### DIRECTORS' SHARE INTERESTS

The directors' interests in the share capital of the ultimate parent, Dixons Group plc, were:

#### *Beneficial and family interests*

	Ordinary shares 3 May 2003		Ordinary shares 27 April 2002	
	Unrestricted	Restricted	Unrestricted	Restricted
G D Budd	593,418	108,242	534,591	168,017
M J Sidders	110,141	76,812	67,670	143,249

The directors' restricted beneficial interests comprise shares awarded under bonus arrangements put in place following the disposal of Freeserve and shares held in their share bank under the Deferred Equity Participation Plan ("DEPP"). Details of the DEPP and the bonus arrangements are disclosed in the financial statements of Dixons Group plc.

# BEAKHOUSE LIMITED

## DIRECTORS' REPORT

### *Directors' share options*

	At 28 April 2002	Granted in period	Exercised in period	Cancelled or lapsed in period	At 3 May 2003
G D Budd	575,061	140,493	-	-	715,554
M J Sidders	151,406	59,824	-	(4,443)	206,787

Each of the directors is interested as a potential beneficiary in 3,691,355 (27 April 2002 5,777,608) ordinary shares owned by Dixons TSR Trust ("the Trust") an employee share ownership trust. The particulars of the Trust are disclosed in the financial statements of Dixons Group plc.

No director had a beneficial interest in the shares of the Company or any other group undertaking except as disclosed above or in any contract or arrangement to which the Company or any other group undertaking was a party during or at the end of the financial period.

### AUDITORS

On 1 August 2003 Deloitte & Touche will transfer their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP will be the auditor of the company for the forthcoming financial year under the provisions of section 386(2) of the Companies Act 1985.

By Order of the Board



**G D Budd**

Secretary

25 June 2003

Registered office:  
Maylands Avenue  
Hemel Hempstead  
Hertfordshire  
HP2 7TG

**BEAKHOUSE LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period. In preparing the financial statements, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed. The financial statements have been prepared on the going concern basis. The directors are also responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Company and to prevent and detect fraud or any other irregularities.

# **BEAKHOUSE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **Independent auditors' report to the members of Beakhouse Limited**

We have audited the financial statements of Beakhouse Limited for the 53 weeks ended 3 May 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable UK law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant UK legal and 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 period and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of opinion**

We conducted our audit in accordance with UK 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 3 May 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.*

*Deloitte & Touche*

**Deloitte & Touche**  
Chartered Accountants and Registered Auditors  
London

11 July 2003

**BEAKHOUSE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**For the 53 weeks ended 3 May 2003**

	Note	2002/03 £'000	2001/02 £'000
Operating (loss)/profit	2	(52)	2
Net interest	3	10	-
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(42)</u>	<u>2</u>
Taxation credit/(charge) on (loss)/profit on ordinary activities	5	12	(1)
<b>Retained (loss)/profit after taxation for the period</b>	10	<u>(30)</u>	<u>1</u>

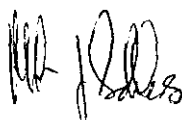
All operating (loss)/profit is derived from continuing operations in the UK.

There are no recognised gains or losses or movements in shareholder's funds other than the loss for the current period and profit for the preceding period.

**BEAKHOUSE LIMITED**  
**BALANCE SHEET**  
As at 3 May 2003

	Note	£'000	2003 £'000	£'000	2002 £'000
<b>Fixed assets</b>					
Investments	6		1,044		922
<b>Current assets</b>					
Debtors	7	-		16	
<b>Creditors: amounts falling due within one year</b>	8	(714)		(578)	
<b>Net current liabilities</b>			(714)		(562)
			<u>330</u>		<u>360</u>
<b>Capital and reserves</b>					
Called up share capital	9	-	-	-	-
Profit and loss account	10		330		360
<b>Equity shareholder's funds</b>			<u>330</u>		<u>360</u>

These financial statements were approved by the directors on 25 June 2003 and signed on their behalf by:

  
M J Sidders



# BEAKHOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with UK law and applicable accounting standards. The principal accounting policies are set out below.

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The financial statements are for the 53 weeks ended 3 May 2003. Comparative figures are for the 52 weeks ended 27 April 2002.

#### 1.2 Investments

Investments in related undertakings are stated at cost less provisions for impairment in value. Certain investments which are hedged by long term foreign currency borrowings are denominated in foreign currency and translated at closing rates of exchange. Exchange differences arising on those investments together with exchange differences on hedging are taken directly to reserves.

#### 1.3 Foreign exchange

Certain investments which are hedged by long term foreign currency borrowings are denominated in foreign currency and translated at closing rates of exchange. Exchange differences arising on those investments together with exchange differences on hedging are taken directly to reserves.

#### 1.4 Cash flow statement

As permitted by FRS 1 (Revised 1996) "Cash flow statements", the Company has not prepared a cash flow statement because it is a wholly owned subsidiary and consolidated financial statements in which the Company is included are publicly available.

### 2. OPERATING (LOSS)/PROFIT

	2002/03 £'000	2001/02 £'000
Other operating (expenses)/income	(52)	2

The auditors' remuneration is borne by the ultimate parent.

### 3. NET INTEREST

	2002/03 £'000	2001/02 £'000
Interest receivable and similar income	10	-

### 4. EMPLOYEES AND DIRECTORS

The Company had no employees during the period (2001/02 none). The directors received no remuneration for services to the Company during the period (2001/02 £nil).

**BEAKHOUSE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**5. TAXATION (CREDIT)/CHARGE ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

	<b>2002/03</b>	<b>2001/02</b>
	<b>£'000</b>	<b>£'000</b>
Current taxation:		
UK corporation tax at 30%	-	1
Group relief	(12)	-
	<u>(12)</u>	<u>1</u>

**6. FIXED ASSET INVESTMENTS**

	<b>Related Undertakings £'000</b>
<b>Cost and net book value</b>	
At 28 April 2002	922
Translation adjustments	<u>122</u>
At 3 May 2003	<u><b>1,044</b></u>

Details of the principal related undertakings are set out in note 13.

**7. DEBTORS**

	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Prepayments and accrued income	<u>-</u>	<u>16</u>

**BEAKHOUSE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**8. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003 £'000	2002 £'000
Amounts due to group undertakings	709	577
Corporation tax	-	1
Accruals and deferred income	5	-
	<u>714</u>	<u>578</u>

**9. CALLED UP SHARE CAPITAL**

	2003 £	2002 £
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**10. PROFIT AND LOSS ACCOUNT**

	£'000
At 28 April 2002	360
Retained loss for the period	<u>(30)</u>
At 3 May 2003	<u>330</u>

**11. RELATED PARTY DISCLOSURE**

The Company has applied the exemption allowed by FRS 8 regarding disclosure of transactions with other undertakings which are members of the Dixons Group.

**12. PARENT COMPANY**

The Company's immediate parent and controlling entity is DCP International Limited.

The Company's ultimate parent and controlling entity is Dixons Group plc, which is incorporated in Great Britain and is registered in England and Wales. Copies of its financial statements may be obtained from its registered office at Maylands Avenue, Hemel Hempstead, Hertfordshire HP2 7TG.

**13. PRINCIPAL RELATED UNDERTAKINGS**

The related undertakings at 3 May 2003 are listed below:

Dixons Commercial Propriedades (Portugal) Lda (35% directly owned)  
Dixcofen Propriedades Lda (30% directly owned)  
Sociedade Imobiliaria Sajorama SA (30% indirectly owned)

All related undertakings are incorporated and operate in Portugal and are principally engaged in investment, property management and development.