

## **Bon Marché Group Limited**

Annual report and financial statements  
for the year ended 31 March 2005

Registered number: 4172055



## Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the year ended 31 March 2005.

### Principal activity, business review and future prospects

The principal activity of the company is that of a holding company.

The directors expect the general level of activity to continue in the coming year.

### Results and dividends

The audited financial statements for the year ended 31 March 2005 are set out on pages 5 to 11. The profit for the period after taxation amounted to £2,800,000 (2004: loss of £34,000). The directors recommend the payment of a dividend of £2,800,000 (2004: nil).

### Directors and their interests

The directors and company secretary who served during the year were as follows:

RS Kirk  
KR Bryant  
M D Killick (Company Secretary)

None of the directors of Bon Marché Group Limited hold an interest in the ordinary shares of the company.

The interests of the directors in the share capital of the ultimate parent company are disclosed in the annual report of the ultimate parent company, The Peacock Group plc. The directors did not hold any shares in any other group company.

### Auditors

The directors will place a resolution before the Annual General Meeting to reappoint Deloitte & Touche LLP as auditors for the ensuing year.

Atlantic House  
Tyndall Street  
Cardiff  
CF10 4PS

By order of the Board,

  
K R Bryant  
Director

27 July 2005

## Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

In preparing the financial statements, 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## Independent auditors' report

### To the Members of Bon Marché Group Limited

We have audited the financial statements of Bon Marché Group Limited for the year ended 31 March 2005, which comprise the profit and loss account, the balance sheet, and the related notes 1 to 14. 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 the company's 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 audit opinion

We conducted our audit in accordance with United Kingdom 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.

## Independent auditors' report (continued)

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**  
**Chartered Accountants and Registered Auditors**  
**Bristol**

28 July 2005

## Profit and loss account

For the year ended 31 March 2005

	Note	2005 £'000	2004 £'000
Income from shares in subsidiary undertakings		2,800	-
Administrative expenses		-	(34)
<b>Operating profit / (loss)</b>		<u>2,800</u>	<u>(34)</u>
<b>Profit / (loss) on ordinary activities before and after taxation</b>	4	2,800	(34)
Dividends paid		(2,800)	-
<b>Retained loss for the period</b>	11	<u>-</u>	<u>(34)</u>

There were no recognised gains and losses other than the profit or loss in each period. Accordingly no separate statement of total recognised gains and losses has been prepared.

All results derive from continuing operations.

# Balance sheet

31 March 2005

	Note	2005 £'000	2004 £'000
<b>Fixed assets</b>			
Investments	6	13,547	13,547
		<u>13,547</u>	<u>13,547</u>
<b>Current assets</b>			
Debtors	7	20,104	14,504
<b>Net current assets</b>		<u>20,104</u>	<u>14,504</u>
<b>Total assets less current liabilities</b>		<u>33,651</u>	<u>28,051</u>
<b>Creditors:</b> amounts falling due after more than one year	8	(30,084)	(24,484)
<b>Net assets</b>		<u>3,567</u>	<u>3,567</u>
<b>Capital and reserves</b>			
Called-up share capital	9	50	50
Share premium account	10	135	135
Merger reserve	10	315	315
Profit and loss account	10	3,067	3,067
<b>Equity and non-equity shareholders' funds</b>	11	<u>3,567</u>	<u>3,567</u>
<b>Shareholders' funds may be analysed as:</b>			
Equity interests		-	-
Non-equity interests		3,567	3,567
<b>Equity and non-equity shareholders' funds</b>	11	<u>3,567</u>	<u>3,567</u>

The financial statements were approved by the board of directors on 27 July 2005 and signed on its behalf by:

  
K R Bryant  
Director

27 July 2005

## Notes to the financial statements (continued)

For the year ended 31 March 2005

### 1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

#### *a) Basis of accounting*

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

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of The Peacock Group plc which prepares consolidated financial statements which are publicly available.

Under FRS 1, the company is exempt from preparing a cash flow statement on the ground that it is a wholly owned subsidiary undertaking whose ultimate parent company has prepared a consolidated statement of cash flows which incorporates those of the company.

#### *b) Investments*

Fixed asset investments are stated at cost less any provision for impairment.

#### *c) Taxation*

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.



## Notes to the financial statements (continued)

For the year ended 31 March 2005

### 3 Directors' remuneration

No director received any emoluments for their services to this company during either the current or preceding financial year. Directors are paid by the ultimate parent company, The Peacock Group plc and it is not practicable to allocate their remuneration between their services to group companies. Information about directors' remuneration may be found in the financial statements of The Peacock Group plc.

### 4 Loss on ordinary activities before taxation

Auditors' remuneration for audit services and amounts payable to the company's auditors in respect of non-audit services in the current year and previous period was borne by the ultimate parent company, The Peacock Group plc.

### 6 Fixed asset investments

	2005 £'000
<b>Cost and net book value</b>	
At 1 April 2004 as previously stated	12,952
Prior year adjustment	595
At 1 April 2004 as restated	<u>13,547</u>
At 31 March 2005	<u>13,547</u>

The company owns the entire ordinary share capital of Bon Marché Holdings Limited. This company's principal activity is that of a holding company and is registered in England and Wales. Bon Marché Holdings Limited owns the entire ordinary share capital of Bon Marché Limited, which is registered in England and Wales. The principal activity of Bon Marché Limited is that of the retailing of garments, specialising in ladieswear.

The cost and net book value of investments at 31 March 2004 have been restated to reflect the inclusion of £595,000 of shares owned in Bon Marché Holdings Limited, which were previously omitted.

### 7 Debtors

	2005 £'000	2004 £'000
Amount owed by group undertakings	<u>20,104</u>	<u>14,504</u>

### 8 Creditors: amounts falling due after more than one year

	2005 £'000	2004 £'000
Amounts owed to group undertakings	<u>30,084</u>	<u>24,484</u>

The balance owed to group undertakings as at 31 March 2004 has been restated to reflect the inclusion of £595,000, which was previously omitted.

## Notes to the financial statements (continued)

For the year ended 31 March 2005

### 9 Called-up share capital

	2005 £'000	2004 £'000
<i>Authorised</i>		
99,900,000 Ordinary shares of 10p each	9,990	9,990
100,000 'A' ordinary shares of 10p each	10	10
500,000 'B' ordinary shares of US\$0.15 each	49	49
	<u>10,049</u>	<u>10,049</u>
<i>Allotted, called-up and fully paid</i>		
400,000 Ordinary shares of 10p each	40	40
100,000 'A' ordinary shares of 10p each	10	10
	<u>50</u>	<u>50</u>

All shares attract a cumulative preferential net cash dividend. This participating dividend will be based on 25% of net profit for the periods ended 31 March 2005 and 25% of net profit thereafter. The shareholders waived the right to the dividend in 2004. Further dividends may be declared or paid if the participating dividend has been paid in full in respect of that financial year and the holders of 75% or more of the Ordinary Shares have consented in writing.

All classes of share rank *pari passu* in relation to voting rights or in the event of a winding up of the company.

### 10 Reserves

	Merger reserve £'000	Share premium account £'000	Profit and loss account £'000
1 April 2004	315	135	3,067
Retained profit for the year	-	-	-
31 March 2005	<u>315</u>	<u>135</u>	<u>3,067</u>

### 11 Reconciliation of movements in shareholders' funds

	2005 £'000	2004 £'000
Profit / (loss) for the year	2,800	(34)
Dividends	(2,800)	-
Retained profit / (loss) for the year, being net reduction to shareholders' funds	<u>-</u>	<u>(34)</u>
Opening shareholders' funds	3,567	3,601
Closing shareholders' funds	<u>3,567</u>	<u>3,567</u>

## Notes to the financial statements (continued)

For the year ended 31 March 2005

### **12 Contingent liabilities**

As a subsidiary of The Peacock Group plc, the company is part of a group that has given guarantees for the bank facilities provided to all group undertakings by their principal bankers. The joint liabilities under these guarantees at 31 March 2005 amounted to £76,761,000 (2004 - £62,670,000).

### **13 Related party transactions**

The company has taken advantage of the exemptions under FRS 8, which allows it not to disclose transactions with group companies since the consolidated financial statements of the ultimate holding company are publicly available.

### **14 Ultimate parent company and controlling party**

The immediate and ultimate parent company and controlling party is The Peacock Group plc, a company incorporated in Great Britain and registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is The Peacock Group plc. Copies of which can be obtained from Atlantic House, Tyndall Street, Cardiff, CF10 4PS.