

A & D Pension Services Limited
(Formerly B G ADMINISTRATION SERVICES LIMITED)
(Registered Number 116036)

REPORT AND ACCOUNTS

1997



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COMPANIES HOUSE 29/06/98

DIRECTORS AND OFFICERS

Directors

Peter Baverstock (Until 26th January, 1998)
Paul Budge (Appointed 26th January, 1998)
Keith Gosling (Appointed 26th January, 1998)
Jane Guillaume (Appointed 26th January, 1998)
Kim Morton (Appointed 26th January, 1998)
Nigel Slade (Until 26th January, 1998)

Secretary

Peter Baverstock (Appointed 26th January, 1998)
Kenneth Newbould (Until 26th January, 1998)

Registered Office

Cavendish House,
13 Portland Square,
Bristol, BS2 8ST

Auditors

Price Waterhouse
9, Bond Court,
Leeds, LS1 2SN

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Report and Accounts for the year ended 31st August, 1997, which were approved by the Directors on 19th June, 1998.

Review of Activities

In the year the Company made a profit before taxation of £523,343 (year to 31st August, 1996 - £432,490). The Directors do not propose a dividend for the year (year to 31st August, 1996 - £ nil), and retained profit of £353,057 will be added to reserves (year to 31st August, 1996 - £282,544).

Events occurring after the Balance Sheet date

The Company's shareholder, The Burton Group plc, underwent a reorganisation after the balance sheet date by the demerger of Debenhams plc from The Burton Group plc. This occurred on 26th January, 1998. In preparation for this event, The Burton Group plc (now Arcadia Group plc) agreed that following the demerger, the Company would be jointly owned by itself and Debenhams Retail plc, a subsidiary of Debenhams plc.

Accordingly, with effect from 26th January, 1998, 23,380 "B" ordinary shares were allotted to Debenhams Retail plc and a dividend of £2,300,000 was declared and paid out of the undistributed profits as at 31st December, 1997. Also on that date, the Company changed its name from B G Administration Services Limited to A & D Pension Services Limited.

Review of the Business

The Company had a successful year and maintained its involvement in its principal activity, the provision of pension fund administration services to The Burton Group plc.

Directors and their Interests

The Directors who served during the year were P. W. Baverstock and N. R. Slade. Neither director has, at any time in the year, held any interest in any shares of the Company. However, the Directors' interests in the shares of The Burton Group plc., the ultimate holding company, were as under. None of the directors exercised any options during the year.

	31st August, 1997 - Ordinary Shares of 10p			31st August, 1996 - Ordinary Shares of 10p		
	Shares owned	Shares allocated provisionally	Shares under option	Shares owned	Shares allocated provisionally	Shares under option
PW Baverstock	38,000	9,982	79,091	48,990	5,826	70,320
NR Slade	356	5,072	29,265	341	3,008	29,265

Changes in the Directors since the year end are noted on page 1.

Directors' Responsibilities

As required by company law, the Directors have prepared accounts for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the financial year then ended.

In preparing these accounts, which have been produced on a going concern basis, the Directors have adopted suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent, and have complied with all applicable accounting standards.

The Directors are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the requirements of the Companies Act 1985. In addition, they are responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Price Waterhouse have indicated their willingness to be re-appointed.

BY ORDER OF THE BOARD


P. W. Baverstock
SECRETARY

19th June, 1998

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**TO THE MEMBERS OF
A & D PENSION SERVICES LIMITED**

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the Company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 judgments 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 the Company's affairs at 31st August, 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

**Price Waterhouse
Chartered Accountants
and Registered Auditors
19th June, 1998**

**9 Bond Court
Leeds
LS1 2SN**

PROFIT AND LOSS ACCOUNT

	Notes	Year to 31st August 1997 £	Year to 31st August 1996 £
Turnover	1	<u>1,219,877</u>	<u>1,096,650</u>
Staff costs			
Wages and salaries		254,852	243,719
Social security costs		21,592	20,587
Depreciation		15,330	13,103
Other operating charges		<u>404,760</u>	<u>386,751</u>
Operating Profit and Profit on Ordinary Activities before Taxation	3	<u>523,343</u>	<u>432,490</u>
Tax on profit on ordinary activities	4	<u>(170,286)</u>	<u>(149,946)</u>
Profit on Ordinary Activities after Taxation		<u>353,057</u>	<u>282,544</u>
Retained profit brought forward		1,834,739	1,552,195
Retained Profit Carried Forward		<u>2,187,796</u>	<u>1,834,739</u>

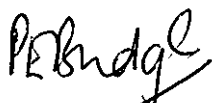
There have been no recognised gains or losses arising during the above periods other than the profit for those periods.

BALANCE SHEET

	Notes	Year to 31st August 1997 £	Year to 31st August 1996 £
Fixed Assets:			
Tangible assets	6	<u>24,683</u>	<u>38,677</u>
Current Assets:			
Debtors	7	3,199,517	2,571,257
Cash at bank and in hand		210	200
Creditors: amounts falling due within one year	8	<u>(1,013,234)</u>	<u>(752,015)</u>
Net Current Assets		<u>2,186,493</u>	<u>1,819,442</u>
Total Assets Less Current Liabilities		<u>2,211,176</u>	<u>1,858,119</u>
Capital and Reserves - Equity Interests:			
Called up share capital	9	23,380	23,380
Profit and loss account		2,187,796	1,834,739
Total Shareholders' Funds	10	<u>2,211,176</u>	<u>1,858,119</u>

The notes on pages 5 to 7 form part of these accounts.

The accounts were approved by the Directors on 19th June, 1998.



P. E. Budge - Director



K. D. Gosling - Director

1. ACCOUNTING POLICIES

General

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

Turnover

Turnover comprises the invoiced amount of services provided, net of value added tax.

Depreciation

The rates of depreciation used in the preparation of these accounts are as follows: -

Fixtures & Fittings - 10% per annum on the straight line method, commencing immediately after purchase.

Computers - 16 2/3% to 33 1/3% per annum on the straight line method, commencing immediately after purchase.

Motor Vehicles - 25% per annum on the annual reducing balance method, commencing immediately after purchase.

Taxation

Provision is made for deferred taxation arising from the allocation of income and expenditure for tax purposes to periods different from those used for accounting purposes unless there is a reasonable probability that such timing differences will not give rise to a taxation liability in the foreseeable future.

Leased Assets

Rentals payable under operating leases are charged to the profit and loss account as incurred.

2. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Company's shareholder, The Burton Group plc, underwent a reorganisation after the balance sheet date by the demerger of Debenhams plc from The Burton Group plc. This took place on 26th January, 1998. In preparation for this event, The Burton Group plc (now Arcadia Group plc) agreed that following the demerger, the Company would be jointly owned by itself and Debenhams Retail plc, a subsidiary of Debenhams plc.

Accordingly, with effect from 26th January, 1998, 23,380 "B" ordinary shares were allotted to Debenhams Retail plc and a dividend of £2,300,000 was declared and paid out of the undistributed profits as at 31st December, 1997.

Also on that date, the Company changed its name from B G Administration Services Limited to A & D Pension Services Limited.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year to 31st August 1997 £	Year to 31st August 1996 £
This is stated after charging :		
Hire of motor vehicles	11,579	10,187
The emoluments of the Directors	157,809	144,841

Contributions were paid to defined benefit pension schemes in respect of the directors who served in the year.

NOTES TO THE ACCOUNTS continued

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year to 31st August 1997	Year to 31st August 1996
	£	£
The taxation charge in the profit and loss account is made up as follows:		
United Kingdom Corporation Tax based on the profit for the year at 31% (year to 31st August, 1996 - 33%)	170,286	143,561
Prior year's charge under provided	-	6,385
	<u>170,286</u>	<u>149,946</u>

5. DEFERRED TAXATION

There is no liability to deferred taxation, potential or actual, at the balance sheet date.

6. TANGIBLE FIXED ASSETS - Equipment, Fixtures & Fittings

Cost	£
At 1st September, 1996	134,910
Additions in the year	1,336
At 31st August, 1997	<u>136,246</u>
Depreciation	
At 1st September, 1996	96,233
Charge for the year	15,330
At 31st August, 1997	<u>111,563</u>
Net Book Value At 31st August, 1997	<u>24,683</u>
Net Book Value At 31st August, 1996	<u>38,677</u>

7. DEBTORS

	31st August 1997	31st August 1996
	£	£
Trade debtors	0	952
Amounts owed by Group undertakings	3,172,027	2,549,412
Other debtors	7,161	2,367
Prepayments and accrued income	20,329	18,526
	<u>3,199,517</u>	<u>2,571,257</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank overdraft	99,253	14,748
Trade creditors	273	17,951
Amounts owed to Group undertakings	615,890	469,323
Corporation Tax	170,286	149,946
Other taxation	30,330	27,190
Accruals	97,202	72,857
	<u>1,013,234</u>	<u>752,015</u>

NOTES TO THE ACCOUNTS continued

9. CALLED UP SHARE CAPITAL

	31st August 1997	31st August 1996
Ordinary shares of £1 each	£	£
Authorised	<u>55,000</u>	<u>55,000</u>
Allotted, Issued and Fully Paid	<u>23,380</u>	<u>23,380</u>

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Profit for the year and net addition to Shareholders' Funds	353,057	282,544
Opening Shareholders' Funds	1,858,119	1,575,575
Closing Shareholders' Funds	<u>2,211,176</u>	<u>1,858,119</u>

11. CAPITAL COMMITMENTS

Capital Expenditure authorised and not contracted for at the Balance Sheet date was £ Nil (31st August, 1996 - £Nil).

12. ULTIMATE PARENT UNDERTAKING

At the balance sheet date, the Ultimate Parent Undertaking was The Burton Group plc, a company incorporated in Great Britain and registered in England. The Burton Group plc was the parent company of the smallest and largest group to consolidate the accounts of the Company. Following the demerger of Debenhams from The Burton Group plc (now Arcadia Group plc), the Company has become jointly owned by Arcadia Group plc and Debenhams Retail plc, a subsidiary of Debenhams plc.

Copies of the group accounts of The Burton Group plc may be obtained from The Secretary, The Burton Group plc., 214 Oxford Street, London, W1N 9DF.

13. PENSION COMMITMENTS

The Burton Group plc, now Arcadia Group plc, operates pension schemes on behalf of the Company covering all employees who are eligible on the basis of age and length of service. These schemes, which are of the defined benefit type, are financed through separate trustee administered funds. Contributions to these funds are based on actuarial advice following the most recent valuations of the funds. The most recent such valuations took place as at 31st March, 1995. Full details of these valuations can be found in the accounts of The Burton Group plc.

14. CASH FLOW STATEMENT

The accounts of the ultimate parent undertaking, The Burton Group plc., contain a cash flow statement prepared in accordance with FRS1. Accordingly, these accounts do not include a cash flow statement.

15. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under Financial Reporting Standard 8, "Related Party Transactions", not to disclose transaction with entities that are part of the Arcadia Group plc, formerly The Burton Group plc. The reason for this is that all the voting rights of the Company were controlled by The Burton Group plc during the year and, subsequently, until 26th January, 1998.