



ANNUAL
REPORT & ACCOUNTS

1993

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MFI FURNITURE GROUP PLC

MFI FURNITURE GROUP PLC

- Directors and Professional Advisers
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FINANCIAL CALENDAR

Annual General Meeting	8 September 1993
Final Dividend Payable	1 October 1993
Interim Results Announcement	January 1994
Interim Dividend Payable	February 1994

PROFESSIONAL ADVISERS

Directors

S Hunt (Chairman and Chief Executive)
 J O'Connell (Deputy Chairman)
 D Randall (Finance Director)
 M Brock
 I Goodhew
 G Love
 J Tellett
 Mary E Baker (Non-Executive)
 E Cook (Non-Executive)
 H Smith (Non-Executive)
 M Whitney (Non-Executive)

Registered Office

Southon House,
 33 The Hyde,
 Edgware Road,
 Colindale,
 London
 NW9 6TD

Company Secretary

I N M Thomson

Financial Adviser

County NatWest Limited
 35 Bishopsgate,
 London EC2M 3UR

Solicitors

Lifford Chance
 10 Aldersgate Street,
 London EC1A 4JJ

Joint Stockbrokers

Howe & Pitman Limited
 Finsbury Avenue, London EC2M 2PA
 Smith New Court Corporate Finance Limited
 Smith New Court House,
 1 Farringdon Road, London EC1M 3NH

Auditors

PMG Peat Marwick, Chartered Accountants
 Puddle Dock, London EC4V 3PD

Principal Bankers

National Westminster Bank Plc
 1 Bridge Road, Wembley Park,
 Middlesex HA9 9AE

Registrars

National Westminster Bank Plc
 Registrar's Department, PO Box 82, Caxton
 House, Redcliffe Way, Bristol BS99 7NH

FINANCIAL HIGHLIGHTS

	1993 £m	1992 £m
CONSOLIDATED RESULTS		
Turnover	603.9	647.4
Operating profit	39.2	72.3
Profit before tax	15.5	7.8
PRO FORMA RESULTS		
Turnover	603.9	647.4
Operating profit	50.5	72.3
Profit before tax and exceptional costs	42.4	66.1
Profit before tax	40.2	66.1
EARNINGS PER SHARE		
Earnings/(loss) per share	2.3p	(57.5)p
Pro forma earnings per share	4.5p	7.4p
DIVIDEND PER ORDINARY SHARE OF 10p EACH		
- Interim	1.25p	-
- Final	2.50p	-
- Full year dividend	3.75p	-
Retail area at period end (000's square feet)	6,036	6,117
Sales per square foot (£)	96.12	100.23
Average number of employees	7,579	7,848

CHAIRMAN'S STATEMENT

MFI FURNITURE GROUP PLC

Trading Results These are the results for the 52 weeks to 24 April 1993 and are the first full year results announced since our flotation last July. The flotation was the major event during the period and the proceeds enabled us to repay much of the bank debt and to redeem all of the preference shares.

"Our main priority was to continue reducing our cost base whilst ensuring that service to customers also improved"

The results include certain costs that were incurred as a consequence of the flotation last July and also reflect the capital structure which existed prior to flotation. In order to give a clearer indication of the Group's trading performance we have included a pro forma profit and loss account which shows the results as if the flotation had occurred just before the period under review.

Throughout the period we have operated against a background of high unemployment, a depressed housing market and low consumer confidence. In this difficult environment turnover has fallen 6.7% to

£604m and, although reported profit before tax increased to £15.5m, the pro forma profit before tax was reduced by 39% from £66m to £40m. Pro forma earnings per share have fallen from 7.4p to 4.5p.

Review of Activities Our main priority during the period was to continue reducing our cost base whilst ensuring that service to customers also improved. This drive on costs will continue and will be of lasting significance for the development of the business. We remain committed to the areas of future business growth set out in the flotation prospectus.

Our primary activity in developing the UK store network has been directed at increasing sales and productivity whilst, at the same time, reducing total occupancy costs. During the period 10 stores have been refitted and a further 8 have been reduced in size. Surplus space in 14 of these stores has been sub-leased to other retailers. We believe there is great potential to continue this policy within the store network over the next few years.

During the period under review we have opened one new store at Meadowhall, Sheffield, bringing the total number of UK stores to 175. Since economic conditions have remained uncertain we did not wish to commit significant expenditure to expansion of the store network.

In November, well before the return of any confidence to the property market, we took the opportunity to purchase the freeholds of 4 of our stores at yields well in excess of our financing costs. This is consistent with our policy of overhead reduction and, at the same time, strengthens the asset base of the Group.

Continued investment in systems has led to efficiency gains in all the major areas of the business. In particular we now employ 800 fewer staff than at the beginning of the period. The redundancy costs associated with this staff reduction, of £2.2m, are included within operating profits.

It is a measure of the progress achieved in the development of our systems that we felt sufficiently confident to launch the MFI Customer Promise. This commits us to enhanced standards of service and reliability backed by guarantees and cash penalties if we fail to deliver as promised. I am happy to report that the MFI Customer Promise has been well received by our customers and staff alike.

Financial Position Following the flotation last July our financial position is very sound and net borrowings at the period end have reduced to £62m. Our pro forma gearing at the beginning of the period under review was 80% and had fallen to 52% by the end of the period. We have subsequently received £21m on the sale of our £1m original investment in Carpetright plc. As a result of these proceeds and strong operational cash generation, it is expected that gearing will fall further during the current financial year.

Staff In view of the profit performance and the outlook for the future, it was decided in April 1993 that a nil pay award would be appropriate for the coming year. Despite this fact staff morale remains at a high level and I would like to thank the staff for their hard work during this period of considerable change.

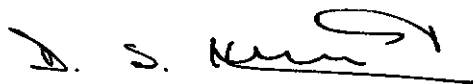
Board of Directors John Dick retired from the Board in March 1993 after 15 years' service with Hygena. John played a vital role throughout the duration of the Management Buyout and I thank him for his contribution over those years.

The Board is committed to ensuring that proper standards of corporate governance are operating in the Group and that all directors are kept fully informed to allow them to make a full contribution to the business of the Group.

Current Trading A feature of the current trading environment is its volatility. However, I am pleased to announce that sales in the first eleven weeks of the new year are 3% ahead of the previous year.

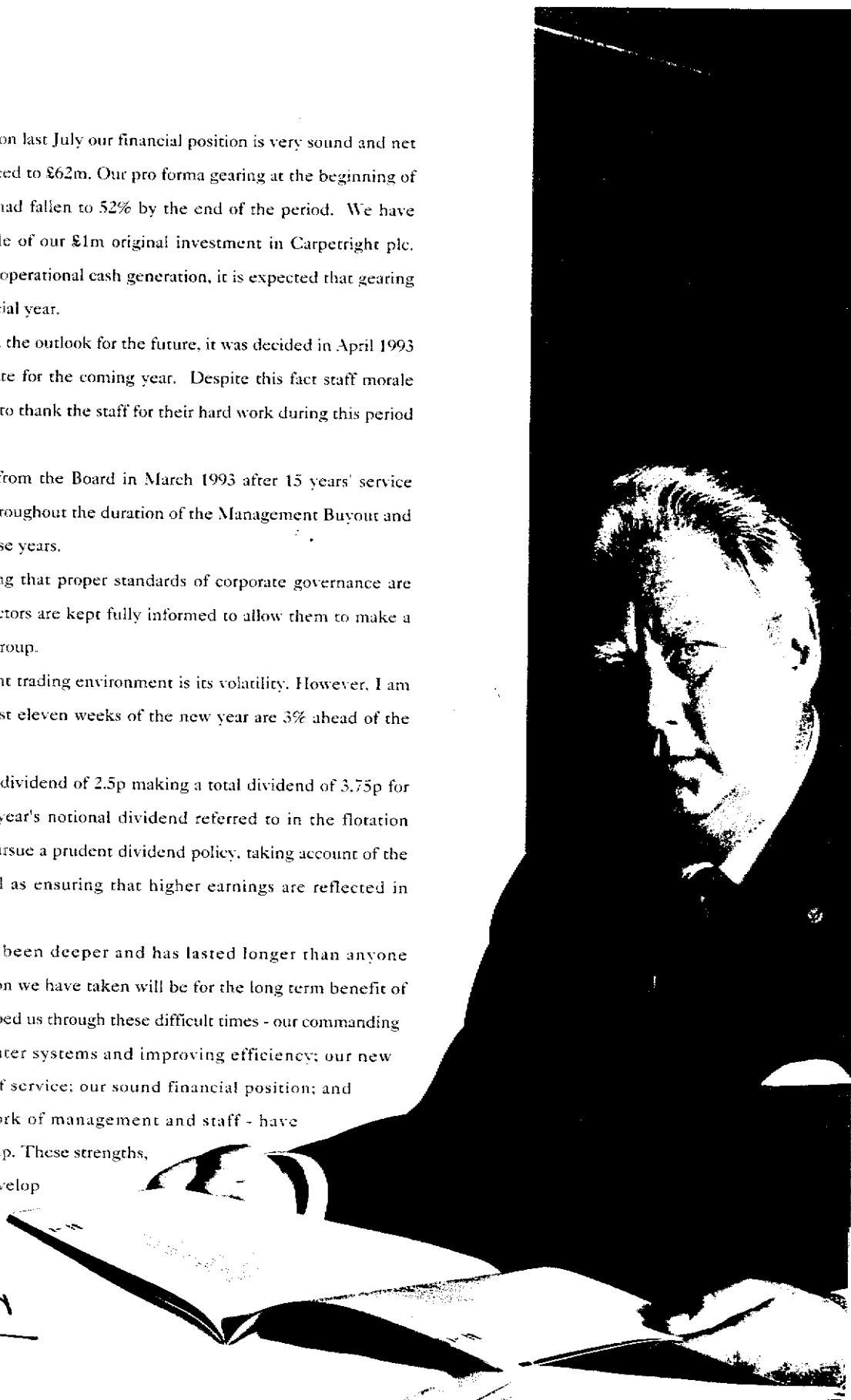
Dividend The Board recommends a final dividend of 2.5p making a total dividend of 3.75p for the year. This is unchanged from last year's notional dividend referred to in the flotation prospectus. The Board now intends to pursue a prudent dividend policy, taking account of the need to rebuild dividend cover as well as ensuring that higher earnings are reflected in increased income to shareholders.

The Future The current recession has been deeper and has lasted longer than anyone anticipated. Yet I believe that the action we have taken will be for the long term benefit of the business. The strengths that have helped us through these difficult times - our commanding market position; our advanced computer systems and improving efficiency; our new product ranges and higher standards of service; our sound financial position; and the commitment, loyalty and hard work of management and staff - have become part of the very fabric of the Group. These strengths, and my belief that we will be able to develop and exploit them even further, give me confidence for the future.



D S Hunt

Chairman 12 July 1993



...and the world is still the same.



BUSINESS REVIEW

MFI FURNITURE GROUP PLC

Retail Operations

Continuing improvements in our computer systems have

enabled us to make radical changes to our retail operations and to develop a new sales emphasis throughout the business.

The administration based management structure has been removed and replaced by a much

smaller, focused sales team. This has involved management and staff changes, a thorough review of sales methods and focused training for specialist sales staff enabling them to concentrate fully on selling.

Customer Service

MFI continues to place great importance on customer service and product quality.

Members of MFI management have been active supporters of Qualitas, a body formed to promote high standards of

quality and service within the furniture industry.

"Placing great importance on customer service and product quality"

The widely advertised MFI Customer Promise - now one year old - incorporates MFI's price, quality and service guarantees, which include the payment of compensation for the late delivery of any goods and a 'no quibble', 28 day money back guarantee on every product sold.



We promise:

No quibble money back guarantee up to 28 days from receipt.

Availability by an agreed date or a penalty.

Every product guaranteed.

Unbeatable prices.

Prompt and courteous service at all times.

Total commitment to the Qualitas code of practice.

The MFI Customer

Promise is prominently displayed throughout the retail chain.

MFI - founder member and active supporter of Qualitas.



*Radical changes have given
a new sales emphasis
throughout the business.*

BUSINESS REVIEW

MFI FURNITURE GROUP PLC



*Short lead times
and reliable
delivery dates - made
possible by the customer
ordering system.*

Systems Developments in information technology have made possible many improvements throughout the Group. The most significant has been a customer ordering system which has had a major impact on the business.

Customers require short lead times and reliable delivery dates, which can now be provided and guaranteed by the customer ordering system. This has enabled stock levels to be reduced. As a consequence, the need for warehouse space, both centrally and in the stores, has fallen. This has been exploited to the Group's benefit in three important ways.

First, rent is now being received on one third of the Group's one million

**" Computer
systems remain
one of the
Group's major
strengths "**

square foot distribution warehouse in Northampton which has been sub-leased.

Second, because free space became

available in store warehouses and because stock only needs to be held briefly, ready assembled kitchen units can now be distributed through the stores in the same way as flat packs. This has removed the need for the dedicated Home Delivery Service direct from the factory and will lead to cost savings in the current year in the order of £5m.

Third, surplus warehouse space in the stores has enabled MFI to sub-lease space to other retailers, which reduces overheads and provides rental income at the same time.

Computer systems remain one of the Group's major strengths and, in line with our continued efforts to improve performance, a new generation electronic point of sale system has been developed and is now being installed. This will be fully integrated with distribution, manufacturing and finance systems, enabling the business to operate even more effectively as one unit.

*One third of the
Group's distribution*

warehouse has been sub-leased.







Most Hygena and Schreiber kitchen and bedroom ranges have won the FIRA gold award for quality.

Production lines at Haverden - one of the 7 factories in the Hygena Group - the largest furniture manufacturer in the UK.



BUSINESS REVIEW

MFI FURNITURE GROUP PLC

Manufacturing The Hygena group, operating out of 7 factories, with a total production area of over 2.2m sq ft, remains the largest furniture manufacturer in the UK and one of the largest in Europe. It supplies 60% of products sold in MFI stores.

Vertical integration gives management the highest possible levels of control over quality, cost and reliability of supply. Since virtually all the Group's

manufacturing output is dedicated to the needs of the retail business - and since production responds to retail demand - the Group is well equipped to deal with further

changes in customer expectations. This will become more and more important as consumers demand increasingly higher standards and better value.

Product Development Within the MFI Group, product development is a continuous process across all product types and ranges. Areas of interest this year include Pronto, beds and upholstery.

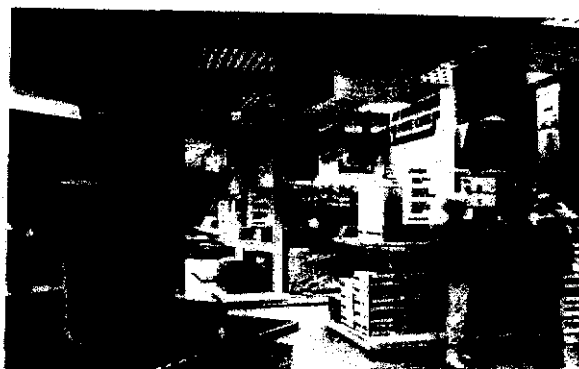
Lines of lower priced furniture available in Pronto departments have been extended. The newest Pronto departments carry some 400 different items compared to the usual 260 and the Company is experimenting with different ways of displaying and stocking these products.

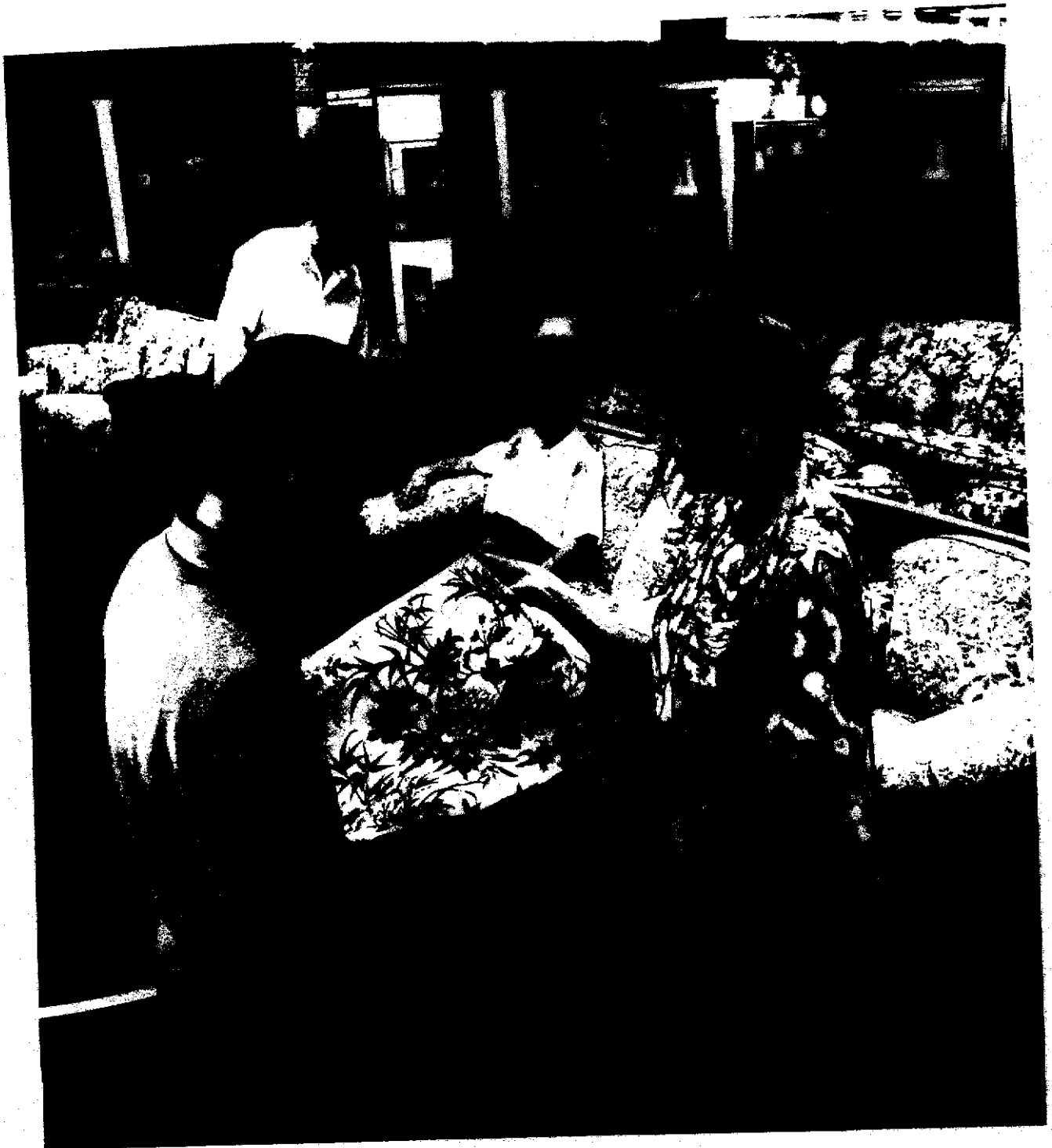
New ranges of beds have also been introduced, widening customer choice in this growth area.

Finally, the improved in-store presentation of our upholstery ranges - including new Schreiber suites at the top end of the range - is currently being extended into 80 stores and will be completed by September. These new upholstery areas are staffed by specialist sales personnel.

"Virtually all the Group's manufacturing output is dedicated to the needs of the retail business"

Pronto - easy purchase self selection lower priced furniture.





Impress / In-store presentation of
innovative ranges currently being
rolled out across 80 stores.

BUSINESS REVIEW

MFI FURNITURE GROUP PLC

People MFI recognises the growing importance of the service role in retailing strategy and continues to invest in its people. To this end the Company had made a written commitment to the

Investors in People initiative, organised by the Training and Enterprise Councils.

As part of its programme of continuous improvement through training and development, MFI is bringing all retail employees up to National Vocational Qualification (NVQ)

level 2. Supervisory management are encouraged to achieve a National Examining Board for Supervisory Management (NEBSM) qualification and opportunities are available for middle and senior management to attend

courses in Retail Business Management - certificate, degree and masters level - specifically produced for MFI by the Manchester Metropolitan University.

Management and staff appraisal sys-

tems have been introduced and a serious commitment has been made to women's opportunities and women's development. MFI has joined Opportunity 2000.

Great importance is being placed upon improved teamwork and producing high levels of service to

external and internal customers. Employees are encouraged to take more responsibility and to become more accountable. Constant measurement of standards in order to improve is now part of everyday management activities.

" Great importance is being placed on improved teamwork and high levels of service to external and internal customers "



New upholstery areas staffed by specialist sales personnel.



BUSINESS REVIEW

MFI FURNITURE GROUP PLC

The staff have continued to support the Group's chosen charity - the National Children's Home - one of the UK's largest child care charities. During the year, all manner of sponsored events raised over £125,000 for the charity. Since the MFI Group began its support for the National Children's Home in 1987, nearly £1 million has been raised by staff and suppliers.

**"The Group
meets or exceeds
all legislative
requirements
and is committed
to preserving
the natural
environment"**

Environment Three major environmental

issues occupied MFI during the year: (i) an experimental re-cycling scheme for packaging has been on trial at 5 MFI sites; (ii) further energy saving initiatives led to the signing, by the Chairman, of the Department of the Environment's

'Commitment to Energy', in recognition of MFI Furniture Centres' responsible energy management; (iii) as signatories to the World Wide Fund for Nature's 1995 target of using only wood and

wood products from known, well managed sources, MFI began the task of identifying the original sources of the timber bought by the Group.

In addition, the Group has agreed an environmental policy. As the leading furniture retailer and

manufacturer in the UK, the Group meets or exceeds all legislative requirements and is committed to preserving the natural environment. It employs safe management practices throughout all operations.



Family Centres
Helping Young Families to Help

↑ National Children's
Home - nearly
£1 million raised
by MFI since 1987.

PRO FORMA PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 24 April 1993

	Notes	1993 £m	1992 £m
Turnover		603.9	647.4
Change in stocks		(5.0)	(1.1)
Other operating income		8.0	5.4
		<u>606.9</u>	<u>651.7</u>
Raw materials and consumables		252.9	264.4
Staff costs	I	135.8	134.3
Depreciation of tangible fixed assets		18.3	26.6
Other operating charges	I	149.4	154.1
		<u>556.4</u>	<u>579.4</u>
Operating profit from continuing activities		50.5	72.3
Continuing activities:			
Cost of termination of an operation		(2.2)	-
Share of profits of associated undertaking		1.5	1.0
		<u>49.8</u>	<u>73.3</u>
Profit on ordinary activities before interest		49.8	73.3
Net interest payable	I	(9.6)	(7.2)
		<u>40.2</u>	<u>66.1</u>
Profit on ordinary activities before taxation		40.2	66.1
Tax	II	(14.1)	(23.0)
		<u>26.1</u>	<u>43.1</u>
Pro forma profit for the financial period		26.1	43.1
 Pro forma earnings per share	 III	 <u>4.5p</u>	 <u>7.4p</u>

NOTES TO THE PRO FORMA PROFIT AND LOSS ACCOUNT

I PRO FORMA FINANCIAL INFORMATION

In order to illustrate the effect of the reorganisation of the share and loan capital of the Group and the completion of the flotation, a pro forma statement of the Consolidated profit and loss account and the earnings per Ordinary Share of the Group has been presented. The Consolidated profit and loss account for the 52 weeks to 24 April 1993 and comparatives have been adjusted in the pro forma statement as follows:

- i) to eliminate the management bonus of £10m payable on flotation together with employer's national insurance contributions of £1m thereon as described in the listing particulars of 2 July 1992,
- ii) to eliminate bank fees of £1.9m for arranging new banking facilities and £0.3m of advisers' costs,
- iii) to eliminate the cost of contributing to the ESOP, and
- iv) to restate interest charges as if the proceeds of the flotation had been received and the amounts due under the original capital structure had been paid immediately before each of the financial periods.

II TAX

A taxation charge of 35% has been provided, being the estimated effective rate of taxation.

III PRO FORMA EARNINGS PER SHARE

The pro forma earnings per share have been calculated based on the pro forma profit after taxation and the pro forma weighted average number of Ordinary Shares in issue of 581,418,042 (1992 - 581,364,000).

The pro forma earnings per share for the 52 weeks to 25 April 1992 differ by 0.1 pence from that stated in the listing particulars of 2 July 1992 due to the change in method of calculating earnings per share following the publication of FRS3 and the revised definition of extraordinary items.

IV COMPARISON OF ACTUAL EARNINGS PER SHARE TO PRO FORMA EARNINGS PER SHARE

	1993	1992
	pence	pence
Actual earnings per share	2.3	(57.5)
Effect of elimination of management bonus	2.3	-
Effect of restatement of interest charge	2.7	256.9
Effect of restatement of taxation	(2.9)	(86.5)
Effect of elimination of preference dividends	0.9	75.5
Effect of other adjustments	0.2	5.9
Adjusted earnings per share based on actual weighted average number of shares	5.5	194.3
Actual weighted average number of shares (000's)	477,336	22,184
Pro forma weighted average number of shares (000's)	581,418	581,364
Pro forma earnings per share based on number of shares post flotation	4.5p	7.4p

DIRECTORS' REPORT

The directors have pleasure in submitting their report and audited Financial Statements for the 52 weeks ended 24 April 1993.

Principal Group Activities, Business Review and Results

The principal activity of MFI Furniture Group Plc and its subsidiaries is the manufacture and sale of household furniture.

A review of the development and activities of the Group's business is contained in the Chairman's Statement and Business Review on pages 2 to 13.

The full results for the period are shown in the Financial Statements on pages 21 to 48.

Share Capital and Change of Name

On 17 July 1992 the Group obtained a listing on the London Stock Exchange. In preparation for this and following an Extraordinary General Meeting held on 5 June 1992 the Company was re-registered as a public limited company and its name was changed to MFI Furniture Group Plc. At the same time as the listing, the Company's share capital structure was changed by extinguishing all share classes other than Ordinary Shares. Details of this appear in note 25 to the Financial Statements. The total number of Ordinary Shares in issue at the period end stands at 581,798,928.

Dividends

The Board recommends a final dividend for the period of 2.5p payable on 1 October 1993 to shareholders on the register on 6 September 1993. An interim dividend of 1.25p was paid on 26 February 1993. The total dividend for the period would therefore be 3.75p per share.

Substantial holdings

According to notifications received by the Company, the following have an interest in 3% or more of the issued share capital as at 9 July 1993:

	Number of Ordinary Shares of 10p each	Percentage of issued share capital
Baillie Gifford and Co.	41,792,624	7.18
Prudential Portfolio Managers Limited	27,468,385	4.72
Robert Fleming and Company Limited	28,511,975	4.90
Royal Insurance Asset Management Limited	17,890,013	3.07

Fixed assets

The movements in fixed assets during the period are set out in notes 15 and 16 to the Financial Statements.

Directors' and Officers' Liability Insurance

Directors' and officers' liability insurance has been taken out as permitted by Section 310(3)(a) of the Companies Act 1985.

Directors and their interests

Throughout the financial period no director has had a material interest in any contract to which the Company or any subsidiary was a party. The service contracts of the executive directors are each for a period of 2 years, expiring in July 1995 and continuing thereafter until terminated by one party giving to the other 12 months' notice. Mary Baker, Derek Cook, Robert Smith and Paul Whitney being non-executive directors do not have service contracts.

DIRECTORS' REPORT

John Dick retired as a director in March 1993.

At the Annual General Meeting Derek Hunt, John O'Connell and David Love will retire in accordance with the Articles of Association and, being eligible, will offer themselves for re-election.

Directors' shareholdings

According to the register maintained under Section 325 of the Companies Act 1985, the beneficial interests of the directors and their families in the shares of the company were:

	As at 24 April 1993		As at 25 April 1992		
	Ordinary Shares of 10p each Shares in issue	Share Options*	'A' Ordinary Shares of 1p each	Convertible Preferred Ordinary Shares of 1p each	Convertible Subordinated Unsecured Loan Stock 1997 (£)
D S Hunt	511,144	956,500	3,949,800	-	-
J J O'Connell	389,937	660,800	2,966,700	-	-
J D Randall	372,950	660,800	2,966,700	-	-
D M Brock	394,545	504,300	2,966,700	-	-
M Goodhew	389,937	348,800	2,966,700	-	-
D G Love	395,892	417,300	2,966,700	-	-
T J Telliott	67,892	452,100	176,096	18,836	1,140
M E Baker	3,500	-	-	-	-
D E Cook	-	-	-	-	-
R H Smith	5,382	-	9,638	170,998	-
P M Whitney	-	-	-	-	-

*The shares are held under options granted in July 1992 and are exercisable in normal circumstances between 17 July 1995 and 16 June 2002 at £1.15 per share.

Derek Hunt, John O'Connell, John Randall and David Brock are trustees of the MFI Employee Benefit Trust which holds 60,028 Ordinary Shares of 10p each (1992 - 1,057,500 'A' Ordinary Shares of 1p each were held by them as trustees of the MFI Share Trust and were subsequently transferred to them as trustees of the MFI Group Employee Benefit Trust on 5 June 1992). These directors have a non-beneficial interest in these shares.

There have been no changes in the directors' shareholdings since 24 April 1993.

Non-executive directors

Mary Baker was appointed a non-executive director in June 1992. She is President of Women in Management and a former Chairman of the London Tourist Board. She is also a non-executive director of Barclays Bank PLC, Prudential Corporation plc and Avon Cosmetics Limited.

Derek Cook was appointed a non-executive director in June 1992. He was Deputy Chairman and Managing Director of Pilkington plc until his retirement in June 1992. He is a non-executive director of Charter Consolidated plc, Powell Duffryn plc, Kwik Save Group plc, Littlewoods Organisation plc and the Leeds Permanent Building Society.

Robert Smith was appointed a non-executive director in November 1987. He is Chairman and Chief Executive of Morgan Grenfell Development Capital Limited and was formerly Managing Director of Charterhouse Development Capital Limited. He is also Deputy Chairman of Bristow Helicopter Group Limited.



DIRECTORS' REPORT

Paul Whitney was appointed a non-executive director in November 1987. He is Chief Executive of CIN Management Limited, which manages the British Coal Pension Funds, and a non-executive director of, amongst others, the British Investment Trust PLC and Edinburgh Fund Managers PLC.

The non-executive directors form the Audit Committee which is chaired by Paul Whitney. The Audit Committee considers all matters relating to the financial affairs of the Group and meets twice a year. Its main duties are to review the annual Financial Statements and preliminary announcements before submission to the Board, to review the work and role of the external auditors, to approve the Group's accounting policies and to investigate any irregularities.

The Remuneration Committee, chaired by Robert Smith, consists of the 4 non-executive directors and is responsible for approving the remuneration and other benefits of the executive directors, including the rules of the performance related incentive schemes and the granting of share options.

Employees

The average number of employees and their remuneration are shown in note 5 to the Financial Statements.

It is the Group's policy to encourage employee involvement as the directors consider that this is essential for the successful running of the business. The Group has therefore maintained and enhanced its established system of keeping employees informed of performance, developments and progress by way of the in-house newspaper and widely distributed information bulletins.

The Group adopts an Equal Opportunities Policy under which training and career development opportunities are available to all employees. The Group aims to meet the code of practice on the employment of disabled people and full and fair consideration is given to disabled applicants for employment. It is the Group's policy to retain employees who may become disabled whilst in service and to provide appropriate training.

Employee share schemes

On flotation, eligible employees were invited to apply for free shares out of the Employee Share Ownership Plan. Employees were also given priority over the public in the allocation of shares. Employees working over 25 hours per week were invited to apply for options under the MFI Sharesave Scheme. Options were granted to 4,474 employees, representing over 50% of the total workforce, over 8,991,434 shares and are exercisable in normal circumstances during the six months commencing on the fifth or seventh anniversary of the commencement of the scheme at 92 pence per share.

Also on 17 July 1992 options were granted to 70 executive directors and senior employees under the Executive Share Option Scheme over 13,659,500 shares at £1.15. These options are exercisable in normal circumstances between 17 July 1995 and 16 June 2002.

The share scheme rules comply with the National Association of Pension Funds guidelines.

Donations

The Group made charitable donations during the period amounting to £112,648 (1992 - £108,445). The Group made no political donations.

Close company

MFI Furniture Group Plc is not a close company for taxation purposes under the Income and Corporation Taxes Act 1988 and there has been no change in this respect since 24 April 1993.

DIRECTORS' REPORT

Post balance sheet events

On 23 June 1993 on the flotation of Carpetright plc the Group disposed of its interest in that company which was purchased in 1988 for £1m. The net proceeds of sale amounted to £21.4m.

Auditors

KPMG Peat Marwick have indicated their willingness to continue in office and a resolution to re-appoint them and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held at 11am on 8 September 1993 at The Chartered Accountants' Hall, Moorgate Place London EC2.

Annual General Meeting - special business

Resolution 7 contained in the notice of the Annual General Meeting proposes cancellation of the Capital redemption reserve and reduction of the Share premium account and as such constitutes special business.

In accordance with UK accounting practice and the Company's accounting policies, consolidation goodwill has been written off to the Goodwill reserve in the Consolidated Financial Statements.

The Consolidated goodwill reserve currently has a debit balance of £482.6m and arose on the acquisition by the Company and its subsidiaries of their businesses.

Under the provisions of the Companies Act 1985 the Capital redemption reserve, which currently stands at £6.0m, and the Share premium account, which currently stands at £505.4m, are generally to be treated as if they were Share capital and can only be utilised for limited purposes which do not include the setting off of goodwill. In the opinion of the directors it is now appropriate to cancel the Capital redemption reserve and reduce the Share premium account by £476.6m in order to produce a Special reserve against which the deficit on the Goodwill reserve can be set off.

The cancellation of the Capital redemption reserve and the reduction of the Share premium account will require the approval of the shareholders by a special resolution to be proposed at the Annual General Meeting and the subsequent confirmation of the High Court. In confirming the Company's application the Court will be concerned to ensure that the interests of the Company's creditors will not be adversely affected. The Company will therefore offer to the Court an appropriate undertaking to protect the interests of creditors with debts or claims outstanding when the reduction takes effect. Although it is not possible to say when the confirmation of the High Court will be obtained, it is anticipated that this should be achieved during October 1993.

Resolution 8 deals with authorities to allot shares. The Companies Act 1985 prevents the directors of a company from allotting unissued shares without the authority of the shareholders in general meeting. In certain circumstances this could unduly restrict directors from carrying on the Company's business to its best advantage. Authority is therefore sought for your directors to be able to allot unissued shares if it becomes beneficial to the Company to do so, subject to the limitations set out in resolution 8.

By Order of the Board
12 July 1993

H N M Thomson
Secretary

DIRECTORS' RESPONSIBILITIES

In respect of the preparation of the financial statements

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the Company and the Group at the end of each financial period and of the profit or loss of the Group for the period to that date. The financial statements must be prepared in compliance with the formats and disclosures required by the Companies Act 1985 and with applicable accounting standards.

The directors confirm that:

- suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, have been used in the preparation of the Group's Financial Statements; and
- applicable accounting standards have been followed.

The directors are also responsible for ensuring that systems are in place for maintaining adequate accounting records to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985, for safeguarding the assets of the Group and for preventing and detecting fraud and other irregularities.

KPMG Peat Marwick

REPORT OF THE AUDITORS

To the members of MFI Furniture Group Plc

We have audited the financial statements set out on pages 21 to 48.

Respective responsibilities of directors and auditors

As described above, the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group'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 affairs of the Company and the Group as at 24 April 1993 and of the profit of the Group for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

Pro forma profit and loss

A pro forma profit and loss account and related notes are set out on pages 14 and 15 to illustrate the effect on the results had the flotation and renegotiation of the Group's borrowings occurred before the beginning of each period rather than in July 1992. In our opinion, the pro forma profit and loss account, so far as the calculations are concerned, has been properly compiled on the basis set out in the notes thereto.

KPMG Peat Marwick

Chartered Accountants
Registered Auditors

London
12 July 1993

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 24 April 1993

	Notes	1993 £m	1992 £m
Turnover	3	603.9	647.4
Change in stocks		(5.0)	(1.1)
Other operating income	4	8.0	5.4
		<u>606.9</u>	<u>651.7</u>
Raw materials and consumables		252.9	264.4
Staff costs	5	146.8	134.3
Depreciation of tangible fixed assets		18.3	26.6
Other operating charges		149.7	154.1
		<u>567.7</u>	<u>579.4</u>
Operating profit from continuing activities	3 & 6	39.2	72.3
Continuing activities:			
Cost of termination of an operation	8	(2.2)	-
Share of profits of associated undertaking	16	1.5	1.0
Profit on ordinary activities before interest		38.5	73.3
Interest receivable and similar income	9	3.0	5.1
Interest payable and similar charges	10	(25.5)	(69.3)
Share scheme	11	(0.5)	(1.3)
Profit on ordinary activities before taxation		15.5	7.8
Tax	12	(0.2)	(3.8)
Profit for the financial period		15.3	4.0
Dividends	13	(22.2)	(1.3)
Amount transferred (from)/to reserves	27	(6.9)	2.7
Earnings/(Loss) per share	14	2.3p	(57.5)p

The notes on pages 26 to 48 form part of these Financial Statements

CONSOLIDATED BALANCE SHEET

At 24 April 1993

	Notes	1993 £m	1992 £m
FIXED ASSETS			
Tangible assets	15	213.3	210.4
Investments	16	1.7	1.0
		<u>215.0</u>	<u>211.4</u>
CURRENT ASSETS			
Stocks	17	65.3	69.6
Debtors	18	43.1	35.3
Investments	19	0.8	-
Cash at bank and in hand		22.7	32.1
		<u>131.9</u>	<u>137.0</u>
CREDITORS			
Amounts falling due within one year	20	156.1	655.7
Net current liabilities		<u>(24.2)</u>	<u>(518.7)</u>
Total assets less current liabilities		<u>190.8</u>	<u>(307.3)</u>
CREDITORS			
Amounts falling due after more than one year	21	62.8	4.7
PROVISION FOR LIABILITIES AND CHARGES	23	9.4	6.4
Net assets/(liabilities)		<u>118.6</u>	<u>(318.4)</u>
CAPITAL AND RESERVES			
Called up share capital	25	58.2	122.7
Share premium account	27	505.4	4.2
Goodwill reserve	27	(482.6)	(485.2)
Capital redemption reserve	27	6.0	-
Special reserve	27	-	51.5
Profit and loss account	27	31.6	(11.6)
		<u>118.6</u>	<u>(318.4)</u>

These Financial Statements were approved by the Board of Directors on 12 July 1993 and were signed on its behalf by J D Randall, Director.

The notes on pages 26 to 48 form part of these Financial Statements

COMPANY BALANCE SHEET

At 24 April 1993

	Notes	1993 £m	1992 £m
FIXED ASSETS			
Investments	16	716.1	713.1
CURRENT ASSETS			
Debtors	18	101.3	80.4
Investments	19	2.8	-
Cash at bank and in hand		16.5	20.3
		<u>120.6</u>	<u>100.7</u>
CREDITORS			
Amounts falling due within one year	20	168.3	634.7
Net current liabilities		<u>(47.7)</u>	<u>(534.0)</u>
Total assets less current liabilities		<u>668.4</u>	<u>179.1</u>
CREDITORS			
Amounts falling due after more than one year	21	60.0	-
Net assets		<u>608.4</u>	<u>179.1</u>
CAPITAL AND RESERVES			
Called up share capital	25	58.2	122.7
Share premium account	27	505.4	4.2
Capital redemption reserve	27	6.0	-
Special reserve	27	-	51.5
Profit and loss account	27	38.8	0.7
		<u>608.4</u>	<u>179.1</u>

These Financial Statements were approved by the Board of Directors on 12 July 1993 and were signed on its behalf by J D Randall, Director.

The notes on pages 26 to 48 form part of these Financial Statements

CONSOLIDATED CASH FLOW STATEMENT

For the 52 weeks ended 24 April 1993

	Notes	1993		1992	
		£m	£m	£m	£m
Net cash inflow from operating activities	28a		67.7		103.6
RETURNS ON INVESTMENTS AND					
SERVICING OF FINANCE					
Interest received		3.0		5.5	
Interest paid		(46.5)		(85.5)	
Interest element of finance lease rentals	10	(0.8)		(1.1)	
Dividends paid		(25.7)		-	
Dividends received		0.3		-	
Net cash outflow			(69.7)		(81.1)
TAXATION					
Corporation tax paid			(8.4)		(3.1)
INVESTING ACTIVITIES					
Payments to acquire tangible fixed assets		(22.3)		(14.6)	
Receipts from sales of tangible fixed assets		1.7		3.3	
Net cash outflow			(20.6)		(11.3)
Net cash (outflow)/inflow before financing			(31.0)		8.1
FINANCING					
Repayment of bank borrowings and loan stock	28b	(501.3)		(2.4)	
Repayment of Preference Shares	28b	(109.8)		-	
Capital element of finance lease rentals	28b	(2.6)		(2.5)	
New bank loan	28b	75.0		-	
New share capital	28b	551.0		-	
Net cash inflow/(outflow)			12.3		(4.9)
(Decrease)/Increase in cash and cash equivalents	28c		(18.7)*		3.2

*The impact of the flotation on cash and cash equivalents is given in note 26.

The notes on pages 26 to 48 form part of these Financial Statements

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the 52 weeks ended 24 April 1993

	1993 £m	1992 £m
Profit for the financial period	15.3	4.0
Currency translation differences on foreign currency net investments	1.2	0.1
Total gains recognised since last annual report	<u>16.5</u>	<u>4.1</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the 52 weeks ended 24 April 1993

	Notes	Group		Company	
		1993 £m	1992 £m	1993 £m	1992 £m
Profit for the financial period		15.3	4.0	8.8	13.8
Dividends	13	(22.2)	(1.3)	(22.2)	(1.3)
		<u>(6.9)</u>	2.7	<u>(13.4)</u>	12.5
Other recognised gains		1.2	0.1	-	-
New share capital subscribed on flotation	25	550.5	-	550.5	-
Conversion of 17% Convertible Subordinated Unsecured Loan	25	1.5	-	1.5	-
Other share issues		0.5	-	0.5	-
Redemption of preference shares	25	(109.8)	-	(109.8)	-
Net addition to shareholders' funds		<u>437.0</u>	2.8	<u>429.3</u>	12.5
Shareholders' funds at 26 April 1992		<u>(318.4)</u>	(321.2)	179.1	166.6
Shareholders' funds at 24 April 1993		<u>118.6</u>	<u>(318.4)</u>	<u>608.4</u>	<u>179.1</u>

The notes on pages 26 to 48 form part of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

I. ACCOUNTING POLICIES

Accounting convention

These Financial Statements are prepared in accordance with applicable Accounting Standards under the historical cost convention.

Basis of preparation

The Consolidated Financial Statements include the accounts of MFI Furniture Group Plc and all its subsidiary undertakings for the 52 week period ended 24 April 1993.

Since the previous Annual Report, the Accounting Standards Board has issued two Financial Reporting Standards: FRS 2 - Accounting for Subsidiary Undertakings and FRS 3 - Reporting Financial Performance. These Financial Statements comply with both Standards. Comparative figures have been restated accordingly. FRS 3 prescribes a new format for the profit and loss account and virtually eliminates extraordinary items. The definition of a discontinued operation is restricted to a business the sale or termination of which has a material effect on the nature and focus of the Group's activities, and the operation terminated in the period did not meet those criteria. In addition, a statement of total recognised gains and losses, and a reconciliation of movements in shareholders' funds are required.

Turnover

Turnover represents the net value of goods sold or services provided to customers outside the Group excluding value added tax.

Goodwill

Purchased goodwill, arising on the acquisition of the assets and business now conducted by MFI Furniture Centres Limited, was written off to the Goodwill reserve in the period of acquisition and is being transferred to the profit and loss account reserve over a period of 40 years.

Goodwill arising on consolidation, representing the amount by which the consideration paid for acquisitions exceeds the fair value of their net tangible assets, is written off directly against the Goodwill reserve in the period of acquisition.

Investments in associated undertakings

Investments in associated undertakings are dealt with under the equity method of accounting in the Consolidated Financial Statements.

In the Company's Financial Statements investments in associated undertakings are stated at cost less any amounts written off for permanent diminution in value.

Other fixed asset investments

Investments are stated at cost less any permanent diminution in value.

NOTES TO THE FINANCIAL STATEMENTS

Depreciation

Depreciation is provided to write off the difference between the cost of tangible fixed assets, excluding freehold land, and their residual value over their estimated useful lives. The current range of useful lives is as follows:

Freehold buildings and long leasehold property	50 - 66 years
Short leasehold property	over period of lease
Fixtures and fittings	3 - 4 years
Plant and equipment	3 - 10 years
Motor vehicles	4 - 5 years

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that an asset or a liability will crystallise in the foreseeable future. No provision is made for the taxation effect of timing differences to the extent that it is probable that an asset or liability will not crystallise in the foreseeable future.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Profit and loss account.

For consolidation purposes, the assets and liabilities, and profit and loss accounts, of overseas subsidiary undertakings are translated at the closing exchange rates. Exchange differences arising on these translations are taken to reserves.

Leased assets

Assets held under finance leases are capitalised as tangible fixed assets and depreciated over the shorter of their estimated useful lives or the period of the lease. Rentals are apportioned between reductions in the capital obligations included in creditors and finance charges which are charged to the Profit and loss account at a constant periodic rate.

Expenditure under operating leases is charged to the Profit and loss account on a straight line basis over the term of the lease.

Pensions

Contributions are paid to the Group's pension schemes to secure and enhance the benefits for personnel under the schemes in accordance with the recommendations of independent actuaries.

Contributions are charged to the Profit and loss account so as to spread the cost of the provisions over the employees' working lives in accordance with Statement of Standard Accounting Practice 24. Pension scheme surpluses or deficits are amortised over the expected remaining service lives of employees.

NOTES TO THE FINANCIAL STATEMENTS

2. COMPARATIVES

Comparatives have been restated to reflect the revised definition of extraordinary items following the publication of FRS 3 - Reporting Financial Performance.

Items which were previously reported as extraordinary were:

	1992 £m
Turnover	3.0
Raw materials and consumables	(1.9)
Staff costs	(1.0)
Other operating charges	(1.1)
	<hr/>
Post cessation trading losses	(1.0)
Tax thereon	0.5
	<hr/>
	(0.5)
	<hr/>

3. TURNOVER AND PROFIT

The turnover of the Group substantially relates to UK retail sales and accordingly no analysis of turnover is shown.

Profits are analysed as follows:

	1993 £m	1992 £m
Trading profit	40.8	72.7
Loss on disposal of fixed assets	(1.6)	(0.4)
	<hr/>	<hr/>
Operating profit	39.2	72.3
	<hr/>	<hr/>

4. OTHER OPERATING INCOME

	1993 £m	1992 £m
Rents received	7.2	4.7
Other	0.8	0.7
	<hr/>	<hr/>
	8.0	5.4
	<hr/>	<hr/>

NOTES OF THE FINANCIAL STATEMENTS

5. STAFF COSTS

The aggregate payroll costs of employees, including directors, were:

	1993	1992
	£m	£m
Wages and salaries	118.7	117.3
Social security costs	10.5	10.3
Other pension costs	6.6	6.7
Exceptional item – Management Bonus	11.0	-
	<u>146.8</u>	<u>134.3</u>

Following the admission of the Company's ordinary share capital to the Official List of the London Stock Exchange the Group paid an aggregate incentive bonus of £10m to certain executive employees, including executive directors, and employer's national insurance contributions thereon of £1m.

The average number of persons (full time equivalent including directors) employed by the Group during the period was as follows:

	1993	1992
	Number	Number
Manufacturing	2,180	2,233
Retail	4,917	5,092
Central services	482	523
	<u>7,579</u>	<u>7,848</u>

6. OPERATING PROFIT

	1993	1992
	£m	£m
Operating profit from continuing activities is stated after charging:		
Loss on disposal of fixed assets	1.6	0.4
Operating lease payments		
- Hire of plant and equipment	4.5	4.0
- Other	40.2	39.2
Auditors' remuneration		
- Audit work	0.3	0.3
- Other services	0.7	0.3
	<u></u>	<u></u>

In addition £0.7m was paid to the auditors in their capacity as reporting accountants to the flotation and was charged to the Share premium account.

NOTES TO THE FINANCIAL STATEMENTS

7. DIRECTORS

The emoluments of the directors were as follows:

	1993 £'000	1992 £'000
Consideration paid to third parties for making available the services of directors	41	40
Fees	44	-
Salaries and benefits	1,302	1,160
Management bonus (note 5)	7,515	-
Performance related bonus	302	-
Pension contributions	138	102
	<u>9,342</u>	<u>1,302</u>

Benefits in kind comprise fully expensed cars which are stated at the Inland Revenue scale charge and medical cover stated at cost.

The performance related element of the executive directors' emoluments is based on performance incentive schemes approved by the remuneration committee. There are currently two schemes.

One scheme, in common with that applicable to senior managers of the Group, consists of an annual bonus based on the Group's trading profit compared to a pre-determined target set from time to time. All participants receive a bonus equal to the same percentage of their annual salary up to a maximum of 40 per cent.

The other scheme is applicable to executive directors only and comprises an annual bonus for achieving earnings per share (as defined by the scheme rules) greater than the highest earnings per share previously achieved uplifted by the growth in the retail price index. A 10 per cent real increase in earnings per share above the previous maximum would generally give rise to an aggregate bonus of 20 per cent of salary up to a maximum of 100 per cent of salary.

All performance related payments in 1992/3 were made under the profit related bonus scheme and related to profit generated in 1991/2. In future the bonuses will be disclosed in the period to which they relate.

Additional information in respect of emoluments of directors, excluding pension contributions, is disclosed as follows:

	1993 £'000	1992 £'000
Chairman and highest paid director:		
Salary and benefits	271	232
Management bonus (note 5)	1,300	-
Performance related bonus	63	-
	<u>1,634</u>	<u>232</u>

NOTES TO THE FINANCIAL STATEMENTS

The number of directors whose emoluments fell into the following ranges was:

	1993 Number of directors	1992 Number of directors
£0 to £5,000	3	6
£15,001 to £20,000	3	-
£20,001 to £25,000	1	-
£105,001 to £110,000	-	2
£110,001 to £115,000	-	1
£130,001 to £135,000	-	1
£140,001 to £145,000	-	1
£165,001 to £170,000	-	2
£230,001 to £235,000	-	1
£375,001 to £380,000	1	-
£1,130,001 to £1,135,000	1	-
£1,150,001 to £1,155,000	1	-
£1,155,001 to £1,160,000	1	-
£1,185,001 to £1,190,000	1	-
£1,235,001 to £1,240,000	2	-
£1,630,001 to £1,635,000	1	-

Share options

Following the flotation the executive directors were granted options under the Executive Share Option Scheme to acquire a total of 4,435,300 Ordinary Shares at the float price of £1.15 per share. The options are normally exercisable between 3 and 10 years following grant provided the growth in the Company's earnings per share over a three year period between grant and exercise has at least matched the growth in the retail price index.

8. COST OF TERMINATION OF AN OPERATION

This relates to the costs associated with the termination of arrangements with independent retailers. The effect on the Group's tax charge is to reduce it by £0.7m.

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	1993 £m	1992 £m
Interest receivable	2.4	2.8
Sundry income	0.6	2.3
	<u>3.0</u>	<u>5.1</u>

NOTES TO THE FINANCIAL STATEMENTS

10. INTEREST PAYABLE AND SIMILAR CHARGES

	1993	1992
	£m	£m
Bank loans and other loans wholly repayable within five years	21.1	61.6
Finance leases	0.8	1.1
Fees and commissions	2.0	0.2
Convertible Subordinated Unsecured Loan Stock	1.6	6.4
	<u>25.5</u>	<u>69.3</u>

11. SHARE SCHEME

	1993	1992
	£m	£m
Financing costs of Employee Share Ownership Plan	<u>0.5</u>	<u>1.3</u>

Share scheme costs were the borrowing costs incurred by the Group's ESOP scheme up until 20 July 1992 when the borrowings were repaid in full by the share scheme trust. Shares held by the scheme were allocated to employees on flotation and the scheme ceased. No profit allocation has been made under the new MFI Share Participation Scheme established at flotation.

12. TAX

	1993	1992
	£m	£m
Taxation on profits for the period comprises:		
UK corporation tax at 33% (1992-33%)	0.2	0.6
Deferred taxation	-	(2.1)
	<u>0.2</u>	<u>(1.5)</u>
Adjustments relating to prior periods	(0.5)	5.3
Share of tax of associated undertaking	0.5	-
	<u>0.2</u>	<u>3.8</u>

The tax charge for the period is reduced by movements in deferred tax timing differences not provided for (note 24).

NOTES TO THE FINANCIAL STATEMENTS

13. DIVIDENDS

	1993 £m	1992 £m
Interim of 1.25 pence per 10p Ordinary Share - paid	7.3	-
Final of 2.5 pence per 10p Ordinary Share - proposed	14.5	-
	<u>21.8</u>	<u>-</u>
Preference dividend accrued	0.4	1.3
	<u>22.2</u>	<u>1.3</u>

Dividends accrued in respect of the Redeemable Convertible Cumulative Preference Shares were settled in full for cash on the flotation of the Company. Other dividend entitlements in respect of the Redeemable Convertible Cumulative Preference Shares, that did not become payable automatically under the terms of the Articles of Association, were settled by way of a bonus issue of new Ordinary Shares on flotation.

No dividends were declared on the 'A' Ordinary, Deferred and Convertible Preferred Ordinary Shares in issue before flotation.

14. EARNINGS PER SHARE

For the purpose of calculating earnings per share, the 'A' Ordinary Shares of 1p each and Convertible Preferred Ordinary Shares of 1p each previously in issue have been treated as being equivalent to the number of Ordinary Shares of 10p each into which they subsequently converted on 2 July 1992.

Earnings per share have been calculated by reference to the Profit for the financial period after deducting Preference dividend entitlements divided by the average number of Ordinary Shares of 10p each and equivalent thereof in issue in the period, amounting to 477,336,493 (1992 - 22,183,931).

The fully diluted earnings per share is not materially different to the actual earnings per share.

Due to the fundamental change to the capital structure of the Company on flotation the historical figures will not be comparable with future earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

15. TANGIBLE FIXED ASSETS

	Payments on account and assets in the course of construction £m	Freehold properties £m	Leasehold properties over 50 under 50 years years £m £m		Plant and machinery £m	Fixtures and fittings £m	TOTAL £m
Cost							
At 26 April 1992	0.8	105.3	41.5	33.3	120.4	52.2	353.5
Exchange adjustments	-	0.9	-	0.1	0.2	1.0	2.2
Additions	0.2	11.5	-	1.2	6.5	3.8	23.2
Disposals	-	(4.2)	-	-	(3.3)	(0.4)	(7.9)
At 24 April 1993	1.0	113.5	41.5	34.6	123.8	56.6	371.0
	£m	£m	£m	£m	£m	£m	£m
Depreciation							
At 26 April 1992	-	8.7	3.0	5.6	85.7	40.1	143.1
Exchange adjustments	-	0.1	-	-	0.1	0.7	0.9
Charge for the period	-	1.7	0.7	1.4	8.6	5.9	18.3
Disposals	-	(2.0)	-	-	(2.4)	(0.2)	(4.6)
At 24 April 1993	-	8.5	3.7	7.0	92.0	46.5	157.7
Net book value at 24 April 1993	1.0	105.0	37.8	27.6	31.8	10.1	213.3
Net book value at 25 April 1992	0.8	96.6	38.5	27.7	34.7	12.1	210.4

Included in plant and machinery at 24 April 1993 were capitalised leases comprising cost of £21.4m (1992 - £20.8m), depreciation of £11.2m (1992 - £10.2m) and net book value of £10.2m (1992 - £10.6m). Depreciation charged during the period in respect of these assets amounted to £1.5m (1992 - £1.4m).

Freehold properties cost includes land of £48.8m (1992 - £43.7m) on which depreciation is not provided.

NOTES TO THE FINANCIAL STATEMENTS

16. FIXED ASSET INVESTMENTS

Group

The investment in the undertaking in which the Group has a participating interest was stated as:

	1993 £m	1992 £m
Investment at cost	1.0	1.0
Share of post acquisition reserves	0.7	-
Share of net assets	<u>1.7</u>	<u>1.0</u>

The movement in the share of net assets during the period was as follows:

	1993 £m	1992 £m
Share of net assets at 26 April 1992	1.0	-
Share of profits before tax of associated undertaking	1.5	1.0
Share of tax of associated undertaking	(0.5)	-
Dividends received	(0.3)	-
Share of net assets at 24 April 1993	<u>1.7</u>	<u>1.0</u>

Company

	Group undertakings		Participating interest	Total Company investment
	Shares at cost £m	Loans £m	Shares at cost £m	£m
At 26 April 1992	587.2	124.9	1.0	713.1
Capitalisation of intercompany loans	127.9	(124.9)	-	3.0
At 24 April 1993	<u>715.1</u>	<u>-</u>	<u>1.0</u>	<u>716.1</u>

Details of principal subsidiary and associated undertakings are given on page 48.

NOTES TO THE FINANCIAL STATEMENTS

17. STOCKS

	1993 £m	1992 £m
Raw materials	7.7	7.0
Work in progress	3.5	3.0
Finished goods and goods for resale	54.1	59.6
	<u>65.3</u>	<u>69.6</u>

18. DEBTORS

	Group		Company	
	1993 £m	1992 £m	1993 £m	1992 £m
Amounts falling due within one year:				
Trade debtors	17.3	19.3	-	-
Amounts owed by subsidiary undertakings	-	-	96.6	72.8
Amounts due for group relief	-	-	-	4.2
Other debtors	1.5	1.4	-	0.1
Prepayments and accrued income	11.0	14.4	-	1.5
ACT recoverable	11.5	-	3.2	-
	<u>41.3</u>	<u>35.1</u>	<u>99.8</u>	<u>78.6</u>
Amounts falling due after more than one year:				
Other debtors	0.3	0.2	-	-
ACT recoverable	1.5	-	1.5	-
Deferred taxation	-	-	-	1.8
	<u>43.1</u>	<u>35.3</u>	<u>101.3</u>	<u>80.4</u>

19. INVESTMENTS

	Group		Company	
	1993 £m	1992 £m	1993 £m	1992 £m
Certificates of tax deposit	-	-	2.8	-
Foreign certificates of deposit	0.8	-	-	-
	<u>0.8</u>	<u>-</u>	<u>2.8</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

20. CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
Borrowings (note 22)	25.0	502.8	25.0	502.8
Trade creditors	50.3	46.8	-	-
Bills of exchange payable	-	0.2	-	-
Amounts owed to subsidiary undertakings	-	-	124.1	88.1
Corporation tax	10.9	6.6	1.6	-
Other taxes and social security	10.6	9.4	-	-
Obligations under finance leases (note 30)	2.8	2.6	-	-
Proposed dividends	14.5	-	14.5	-
Accrued dividends (note 13)	-	18.0	-	18.0
Other creditors	3.8	2.0	-	-
Accruals and deferred income	38.2	67.3	3.1	25.8
	<u>156.1</u>	<u>655.7</u>	<u>168.3</u>	<u>634.7</u>

Accrued dividends represent those dividends deferred at 6 August 1990 which, together with the increment in respect of arrears, became payable on flotation (note 26).

21. CREDITORS

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
Borrowings (note 22)	60.0	-	60.0	-
Obligations under finance leases (note 30)	2.7	4.6	-	-
Other creditors	0.1	0.1	-	-
	<u>62.8</u>	<u>4.7</u>	<u>60.0</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

22. BORROWINGS

	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
Total borrowings comprise:				
Unsecured bank loans	85.0	-	85.0	-
Secured bank loans	-	470.9	-	470.9
£31,920,000 17% Convertible Subordinated Unsecured Loan Stock 1997	-	31.9	-	31.9
	<u>85.0</u>	<u>502.8</u>	<u>85.0</u>	<u>502.8</u>
Amounts falling due within one year	<u>25.0</u>	<u>502.8</u>	<u>25.0</u>	<u>502.8</u>
Amounts falling due after more than one year:				
Between one and two years	30.0	-	30.0	-
Between two and five years	30.0	-	30.0	-
	<u>60.0</u>	<u>-</u>	<u>60.0</u>	<u>-</u>
	<u>85.0</u>	<u>502.8</u>	<u>85.0</u>	<u>502.8</u>

The bank loans bear interest at a rate of 1.2% over LIBOR.

The syndicated Secured Credit Facility was repaid and, of the £31,920,000 17 per cent Convertible Subordinated Unsecured Loan Stock 1997 ("CSL Stock"), £1.5m was converted and £30.4m was redeemed on flotation (note 26).

23. PROVISION FOR LIABILITIES AND CHARGES

	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
Pension provisions (note 29)	<u>9.4</u>	<u>6.4</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

24. DEFERRED TAXATION

Group

Movements on deferred taxation during the period were as follows :

	1993 £m	1992 £m
At 26 April 1992	-	2.1
Credit for the period	-	(2.1)
At 24 April 1993	-	-

The deferred taxation liability is analysed as follows :

	Provided in the Financial Statements		Not provided in the Financial Statements	
	1993 £m	1992 £m	1993 £m	1992 £m
Accelerated capital allowances	3.1	1.8	2.2	3.3
Capital gains rolled over	-	-	-	10.3
Other timing differences	(3.1)	(1.8)	(1.0)	(5.7)
	-	-	1.2	7.9

In the opinion of the directors, the existing revalued properties in Group undertakings will be retained for use in the business and the likelihood of any taxation liability arising is remote. Accordingly the potential deferred tax in respect of these properties has not been quantified.

NOTES TO THE FINANCIAL STATEMENTS

25. CALLED UP SHARE CAPITAL

	1993		1992	
	Number	£m	Number	£m
Ordinary Shares of 10p each	775,152,000	77.5	-	-
'A' Ordinary Shares of 1p each	-	-	70,880,020	0.7
Convertible Preferred Ordinary Shares of 1p each	-	-	729,120,000	7.2
Redeemable Convertible Cumulative Preference Shares of £1 each	-	-	116,250,000	116.3
		<u>77.5</u>		<u>124.2</u>

	1993		1992	
	Number	£m	Number	£m
Ordinary Shares of 10p each	581,798,928	58.2	-	-
'A' Ordinary Shares of 1p each	-	-	63,880,020	0.6
Convertible Preferred Ordinary Shares of 1p each	-	-	582,120,000	5.8
Redeemable Convertible Cumulative Preference Shares of £1 each	-	-	116,250,000	116.3
		<u>58.2</u>		<u>122.7</u>

At the Extraordinary General Meeting on 2 July 1992 the shareholders of the various classes, as appropriate, conditionally approved the following resolutions in preparation for the flotation of the ordinary share capital of the Company:

- a) to issue 7,000,000 'A' Ordinary Shares and 147,000,000 Convertible Preferred Ordinary Shares (CPO's) in respect of the £1,540,000 convertible element of the CSL Stock;
- b) to redesignate 129,119,980 CPO's as 'B' Ordinary Shares of 1 pence each and the remaining 600,000,020 CPO's as Deferred Shares of 1 pence each;
- c) to convert 6,412,943 Preference Shares of £1 each into 64,129,430 Ordinary Shares of 10 pence each in satisfaction of the Capital Reduction Bonus, the Preference Shareholders' entitlement to dividends not declared and the nominal value of the Preference Shares so converted;

NOTES TO THE FINANCIAL STATEMENTS

- d) to allot by way of bonus issue 11,304,347 Ordinary Shares of 1 pence each to Preference Shareholders to recompense them for the aggregate of commission and stamp duty payable if all the Ordinary Shares created in c) and d) were sold in the flotation;
- e) to allot by way of a bonus issue 69,617,760 Ordinary Shares of 1 pence each to the holders of the 'A' and 'B' Ordinary Shares then in issue;
- f) to consolidate the resultant 'A' Ordinary Shares, 'B' Ordinary Shares and Ordinary Shares of 1 pence each into 28,092,210 Ordinary Shares of 10 pence each;
- g) to authorise the redemption at par of the remaining Preference Shares for £109.8m and the allotment and issue of 489,142,360 Ordinary Shares of 10 pence each for cash; and
- h) to vary the authorised share capital in the performance of a) to g) as appropriate, to repurchase the Deferred Shares arising from b) for a consideration of 1p for every 10,000 (or part thereof) and to finally reduce the Authorised Share Capital to 775,152,000 Ordinary Shares of 10 pence each.

The resolutions became unconditional on 17 July 1992 when the issued ordinary share capital of the Company was admitted to the Official List of the London Stock Exchange.

The shares issued under resolution g) above raised £550.5m net of expenses. This amount was principally applied to the repayment of the bank debt and the redemption of the preference shares as shown in note 26.

On 10 March 1993, with the approval of the remuneration committee, John Dick exercised his option under the MFI Executive Share Option Scheme to purchase 434,700 Ordinary Shares of 10 pence each at an acquisition price of £1.15 each. On the same day rights were exercised, under the MFI Sharesave Scheme, to purchase 228 Ordinary Shares of 10 pence at an acquisition price of 92p each.

At 24 April 1993 the following options were in existence:

	Date Granted	No of Options	Exercise Price	Normal Period of Exercise
Share scheme				
MFI Executive Share Option Scheme	17 July 1992	13,224,800	1.15	Between 3 and 10 years
MFI Sharesave Scheme	17 July 1992	8,338,720	92p	After 5 years or 7 years

NOTES TO THE FINANCIAL STATEMENT

26. FLOTATION PROCEEDS

The proceeds of flotation were applied to repay the bank debt, redeem the Redeemable Convertible Cumulative Preference Shares and settle certain items arising as a result of the flotation as follows:

	£m	£m
Payments arising as a result of the flotation:		
Repayment of bank debt	455.9	
Repayment of revolving credit facility	20.0	
Redemption of Preference Shares	109.8	
Payment of accrued Preference Share dividend	18.4	
Redemption of 17% Convertible Subordinated Unsecured Loan Stock 1997 for cash	30.4	
Payment of arrears of interest on 17% Convertible Subordinated Unsecured Loan Stock 1997	12.4	
Management bonus payable on flotation (including national insurance)	11.0	
Costs of raising loan finance	2.2	
		660.1
Financed by:		
Proceeds from new shares	562.5	
Issue costs	(12.0)	
	550.5	
New term loan	75.0	
		625.5
Financed by own cash resources on listing		34.6

NOTES TO THE FINANCIAL STATEMENT

27. RESERVES

Group	Share premium account £m	Goodwill reserve £m	Capital redemption reserve £m	Special reserve £m	Profit and loss account £m
At 26 April 1992	4.2	(485.2)	-	51.5	(11.6)
Retained loss for the period	-	-	-	-	(6.9)
Bonus issue	(0.8)	-	-	-	-
Premium on shares issued	514.0	-	-	-	-
Issue costs	(12.0)	-	-	-	-
Redemption of Deferred Shares	-	-	6.0	-	-
Transfers between reserves	-	2.6	-	(51.5)	48.9
Currency translation adjustments	-	-	-	-	1.2
At 24 April 1993	<u>505.4</u>	<u>(482.6)</u>	<u>6.0</u>	<u>-</u>	<u>31.6</u>

The Group's share of accumulated post acquisition reserves in the associated undertaking included in the Profit and loss account at 24 April 1993 was £0.7m (1992 - £nil). The cumulative amount of goodwill written off against reserves at 24 April 1993 was £504.6m (1992 - £504.6m).

Company	Share premium account £m	Capital redemption reserve £m	Special reserve £m	Profit and loss account £m
At 26 April 1992	4.2	-	51.5	0.7
Retained loss for the period	-	-	-	(13.4)
Bonus issue	(0.8)	-	-	-
Premium on shares issued	514.0	-	-	-
Issue costs	(12.0)	-	-	-
Redemption of Deferred Shares	-	6.0	-	-
Transfers between reserves	-	-	(51.5)	51.5
At 24 April 1993	<u>505.4</u>	<u>6.0</u>	<u>-</u>	<u>38.8</u>

These Financial Statements do not include a separate Profit and loss account for MFI Furniture Group Plc (the parent Company) as permitted by Section 230 of the Companies Act 1985.

The profit for the financial period dealt within the Financial Statements of the Company was £8.8m (1992 - £13.8m).

NOTES TO THE FINANCIAL STATEMENTS

The balance on the Special reserve was transferred to the Profit and loss account following flotation in accordance with the sanction of the High Court of Justice on 30 March 1993 which permitted the reserve to be reduced by the amount of any additional equity finance raised by the Company.

28. CONSOLIDATED CASH FLOW STATEMENT

a) Reconciliation of operating profit to net cash inflow from operating activities

	1993 £m	1992 £m
Operating profit	39.2	72.3
Depreciation of tangible fixed assets	18.3	26.6
Loss on sale of tangible fixed assets	1.6	0.4
Decrease in stocks	4.3	1.9
Decrease in debtors	5.2	0.7
Increase in creditors	1.5	1.7
Net cash inflow from continuing operating activities	70.1	103.6
Other continuing activities:		
Net cash outflow in respect of the termination of an operation	(2.2)	-
Effect of foreign exchange rate changes	(0.2)	-
Net cash inflow from operating activities	67.7	103.6

b) Analysis of changes in financing during the period

	Borrowings £m	Finance Leases £m	Share Capital and Premium £m
At 26 April 1992	502.8	7.2	126.9
Cash inflow from financing	75.0	-	551.0
Cash outflow from financing	(501.3)	(2.6)	(109.8)
Conversion of 17% Convertible Subordinated Unsecured Loan	(1.5)	-	1.5
New finance leases	-	0.9	-
Discount on redemption of Deferred Shares	-	-	(6.0)
At 24 April 1993	75.0	5.5	563.6

NOTES TO THE FINANCIAL STATEMENTS

c) Analysis of changes in cash

and cash equivalents during the period	1993	1992
	£m	£m
At 26 April 1992	32.1	28.8
Net cash inflow before adjustments for the effect of foreign exchange rate changes	(18.7)	3.2
Effect of foreign exchange rate changes	0.1	0.1
At 24 April 1993	<u>13.5</u>	<u>32.1</u>

Cash and cash equivalents comprise:

	1993	1992
	£m	£m
Foreign certificates of deposit	0.8	-
Cash at bank and in hand	22.7	32.1
Revolving credit facility drawings	(10.0)	-
At 24 April 1993	<u>13.5</u>	<u>32.1</u>

29. PENSIONS

The Group operates four pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the Group, being invested with independent fund managers. Contributions are charged to the Consolidated profit and loss account so as to spread the cost of pensions over employees' working lives with the Group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuations of the schemes were as at 6 April 1992.

The main actuarial assumptions used include an investment return of 9% per annum, rates of salary increase of 7% per annum, and rates of dividend growth of 4.5% per annum.

The total pension charge for the period was £6.6m (1992 - £6.7m).

Contribution rates have been less than the overall charge to the Consolidated profit and loss account which has resulted in a provision in the Consolidated balance sheet of £9.4m (1992 - £6.4m).

The most recent actuarial review showed that the four schemes had an aggregate market value of assets of £79.9m and that the actuarial value of those assets represented 114% of the benefits which accrued to members, after allowing for future expected increases in earnings.

It is possible that pension costs will increase in future years as a result of the Barber decision, a European Court judgement requiring pension schemes to offer equal benefits to men and women. The increase is currently not expected to be material.

Additional pension increases will be required in future years when the Social Security Act 1990 is implemented.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL COMMITMENTS

Group

Capital Commitments

The estimated amount of capital expenditure at 24 April 1993 authorised by the Board for which no provision has been made in the Financial Statements is as follows:

	1993 £m	1992 £m
Contracted for	5.9	0.7
Not contracted for	15.5	17.3

Leasing Commitments

Obligations entered into in respect of finance leases, net of interest, are payable over the following periods:

	1993 £m	1992 £m
Within one year (note 20)	2.8	2.6
After more than one year (note 21):		
Between two and five years	2.2	3.9
After five years	0.5	0.7
	2.7	4.6
	5.5	7.2

At 24 April 1993 the annual commitments under operating leases were as set out below:

	Land & Buildings		Other Assets	
	1993 £m	1992 £m	1993 £m	1992 £m
Operating leases which expire:				
Within one year	0.4	0.8	0.6	0.5
Between two and five years	1.4	1.0	1.6	1.6
After five years	39.1	37.4	0.4	0.2
	40.9	39.2	2.6	2.3

Company

The parent company had no capital or leasing commitments at 24 April 1993.

NOTES TO THE FINANCIAL STATEMENTS

31. POST BALANCE SHEET EVENT

On 23 June 1993 the Company sold its entire investment in the ordinary shares of Carpetright plc under the flotation arrangements of that company. The proceeds from the sale amounted to £20.4m after expenses on which tax of £6.7m will become liable subject to any available reliefs from tax on capital gains. On the same day the Company received £1.0m in redemption at par of its holding of 'B' Preference shares.

The original cost of the Company's total investment in Carpetright plc as shown in note 16 was £1.0m.

32. CONTINGENT LIABILITIES

	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
Employee Share Ownership Plan	-	9.4	-	9.4
Loan guarantee	-	24.3	-	24.3
Dividends not declared (note 13)	-	-	-	-
Amounts outstanding against letters of credit and counter-indemnities	3.0	5.7	3.0	-
	<u>3.0</u>	<u>5.7</u>	<u>3.0</u>	<u>-</u>

PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

At 24 April 1993

PARENT COMPANY

MFI Furniture Group Plc.

Country of registration
or incorporation

England

PRINCIPAL GROUP UNDERTAKINGS

Manufacturing:

- * Hygena Limited
- Hygena Packaging Limited
- Schreiber Furniture Limited
- Greens Components (RSC) Limited

England

England

England

England

Sale of household furniture:

- * MFI Furniture Centres Limited
- Furniture Fitting Services Limited
- Hygena Cuisines Sàrl
- * Carpetright plc

England

England

France

England (22% Ordinary shares 50%
'B' Preference Shares)

Property management:

- * MFI Properties Limited

England

Management services:

- MFI Services Limited

England

Finance:

- * MFI Financial Services Limited
(formerly Homeplan Finance Limited)

England

Unless otherwise indicated the Company owns 100% of the ordinary share capital of the above mentioned companies. The investments in those companies marked with an asterisk are owned directly by the Company. All of the above companies operate in the United Kingdom or their country of incorporation.

SIX YEAR RECORD

	1993†	1992	1991	1990	1989	1988*
Turnover (£m)	603.9	647.4	623.1	594.9	601.7	491.8
Trading profit (£m)	52.1	72.7	47.4	48.5	91.4	77.1
Operating profit (£m)	50.5	72.3	45.6	52.6	91.8	79.0
Average number of employees (full-time equivalent)	7,579	7,848	8,222	8,025	7,610	6,245
Sales per square foot (£)+	96.12	100.23	95.98	97.33	110.03	95.08
Retail area at period end (000's square feet)	6,036	6,117	6,231	5,978	5,709	4,994
Capital expenditure (£m)	23.2	16.7	17.8	24.4	107.6	54.6
Stocks (£m)	65.3	69.6	71.5	72.8	106.5	61.4

Notes

†1993 results are on a pro forma basis after eliminating certain costs payable on flotation amounting to £11.3m and charged to Trading profit and Operating profit.

*1988 results are on a pro forma 52 week basis.

+All retail sales excluding VAT divided by the weighted average square footage during the period.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the sixth Annual General Meeting of MFI Furniture Group Plc will be held at the Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ on Wednesday 8 September 1993 at 11.00 a.m. for the following purposes:

ORDINARY BUSINESS

- 1 To receive the Directors' Report and Accounts for the 52 weeks ended 24 April 1993.
- 2 To declare a final dividend of 2.5p per ordinary share.
- 3 To re-elect Mr D S Hunt as a director.
- 4 To re-elect Mr J J O'Connell as a director.
- 5 To re-elect Mr D G Love as a director.
- 6 To re-appoint KPMG Peat Marwick as Auditors and to authorise the directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following special resolutions:

- 7 THAT (i) the Capital redemption reserve of the Company be cancelled; and
(ii) the Share premium account of the Company be reduced by £476.6 million.
- 8 THAT the directors of the Company be and are hereby generally and unconditionally authorised and empowered during the period expiring 15 months after the date of passing of this resolution or at the conclusion of the next annual general meeting of the Company, whichever first occurs, (unless previously renewed, varied or revoked by the Company in general meeting) to exercise all or any of the powers of the Company pursuant to Sections 80 and 95 of the Companies Act 1985 (the "Act"), to allot relevant securities (as defined in Section 80 of the Act), and the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the directors may allot relevant securities in pursuance of that offer or agreement, all as if Section 89(1) of the Act did not apply to that allotment, but so that:

- (i) the nominal value of the relevant securities allotted under this authority does not exceed £19,335,307 (approximately 33% of the allotted and fully paid share capital of the Company);
- (ii) allotments of equity securities within the meaning of Section 94(2) of the Act may be made as if Section 89(1) of the Act did not apply where the securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares in proportion as nearly as may be to their shareholdings but subject to the directors having a right to make such exclusions or other arrangements in connection with such offering as they deem necessary or expedient:
 - (a) to deal with equity securities representing fractional entitlements; and
 - (b) to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and
- (iii) allotments of equity securities for cash otherwise than pursuant to paragraph (ii) are limited to an aggregate nominal amount equal to £ 2,908,994 (5% of the allotted and fully paid share capital of the Company).

By order of the Board

H N M Thomson

Secretary

30 July 1993

Southon House,
333 The Hyde,
Edgware Road,
Colindale,
London NW9 6TD

Any member of the Company who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of the member. A proxy need not also be a member. To be effective the proxy form and any authority under which it was executed (or a notorially certified copy of such authority) must be deposited with the Company's Registrars, National Westminster Bank Plc, Registrar's Department, PO Box 82, Caxton house, Redcliffe Way, Bristol BS99 7NH, not less than 48 hours before the time fixed for the meeting. Completion of the enclosed proxy form will not preclude shareholders from attending and voting at the meeting in person.

STORE LOCATIONS - UK

At 12 July 1993

Aberdeen Dennmore Road	Cheetham Hill Cheetham Hill Road	Gloucester Eastern Avenue	Maidstone London Road	Rugby Elliot's Field Retail Park
Altrincham Atlantic Street	Chelmsford Chelmer Village Retail Pk.	Grantham Nottingham Road	Mansfield Nottingham Road	Ruislip Victoria Road
Ashford Elwick Road	Cheltenham Tavresbury Road	Great Yarmouth Ganton Hall Road	Meadowhall (Sheffield) Meadowhall Retail Park	Scarborough Seamer Road
Ashton Snake Colliery	Chester Sealand Road	Grimsby Victoria Street	Merthyr Tydfil Dowlais Top	Scunthorpe Skipthorpe Ind. Est.
Aylesbury Broadfields Ind. Est.	Chesterfield Lordsmill Street	Harlow Edinburgh Way	Middlesbrough Stipers Lane	Selly Oak Chapel Lane
Ayr Main Street	Chichester Portfield Retail Park	Hastings Bedhill Road	Netherfield Victoria Retail Park	Sheffield St. Mary's Gate
Bangor Caernarfon Road	Clydebank Clydebank Retail Park	Haverfordwest Fishguard Road	Newbury London Road	Shrewsbury Sunderme Retail Park
Barking Abbey Road	Colchester London Road	Hayes Uxbridge Road	Newcastle Kingston Park	Slough Twines Lane
Barnsley Twibell Street	Colindale Edgware Road	Hemel Hempstead Redbourn Road	Newhaven Drove Road	Solihull Marshall Lake Road
Barrow-in-Furness Walney Road	Crawley London Road	High Wycombe Knavesbeech Business Pk.	New Malden Burlington Road	Southampton Shirley Road
Basildon Mayflower Retail Park	Crewe Forge Street	Huddersfield Ringway Ind. Est.	Newport Maesglas Ind. Est.	Southend Purdeys Ind. Est.
Basinstoke Reading Road	Cribbs Causeway Centaurus Road	Hull Clough Road	Newtownabbey Abbey Centre	Southport Meols Cop Centre
Bedford Norse Road	Croydon Thornton Road	Inverness Strothers Lane	Northampton Brackmills Ind. Est.	Speke Ravenside Retail Park
Blackburn Whitbirk Drive	Darlington East Street	Ipswich Commercial Road	North Shields Northam Road	Stafford Greyfriars Place
Blackpool Vicarage Lane	Dartford Prospect Place	Isle of Wight Gunville Road	Norwich Barker Street	Staines High Street
Bletchley Watling Street	Derby Meteor Centre	Isleworth Twickenham Road	Nottingham Castle Boulevard	Stamford Hill Stamford Hill Road
Bolton Manchester Road	Doncaster York Road	Keighley Bradford Road	Nuneaton Bond Street	St Austell Penryn Road
Bootle Orrell Park	Dover Castle Street	Kettering Rothwell Road	Orpington Sevenoaks Way	Stevenage Broadhall Way
Bracknell Peal Centre	Dudley Merry Hill Centre	Kings Lynn Hardwick Road	Oxford Bodley Road	Stirling Maidland Crescent
Bradford Cemetery Road	Dundee Kingsway West	Lancaster Aldcliffe Road	Perth St. Catherine's Road	Stockport Manchester Road
Brighton Carden Avenue	Dunfermline Carnock Road	Leamington Spa Shire Retail Park	Peterborough Lincoln Road	Stockton Bridge Road
Brislington Bach Road	Dunstable Luton Road	Leeds Aireside Centre	Plymouth Laura Bridge Road	Stoke Etruria Way
Bury St. Edmunds Baldingfield Way	Eastbourne Lottbridge Drive	Leicester Narborough Road North	Pollockshaws Auldhouse Retail Park	Stratton Stratton Mains
Cambridge Newmarket Road	Easterhouse Auchinlea Retail Park	Lewisham Loampit Vale	Poole Poole Commerce Centre	Sunderland European Way
Canley Canley Road	Edinburgh Seaford Road	Lincoln Triton Way	Portsmouth Portfield Ind. Est.	Sutton St. Nicholas Road
Canning Town Manor Road	Edmonton Angel Road	Lisburn Sprucefield Centre	Potters Bar High Street	Swansea Pontardulais Road
Canterbury Surrey Road	Erdington Ravenside Retail Park	Liverpool Edge Lane	Preston Ribbleton Lane	Swindon Great Western Way
Cardiff Newport Road	Exeter Paris Street	Llandudno Mosyn Champneys Ret. Pk.	Reading Oxford Road	Tarnworth Tame Valley Ind. Est.
Carlisle London Road	Fareham Southampton Road	Llanelli Trostre Parc	Renfrew West Lodge Road	Taunton Priory Bridge Road
Cardmarthen Morfa Lane	Gateshead Tame Valley Trd. Est.	Llansamlet Nantyffyn North	Rochdale Drake Street	Telford Bridge Retail Park
Catford Aiken Road	Gillingham Gillingham Business Park	Loughborough Derby Road	Romford Eastern Avenue West	Thurrock Tunnel Est.
Charlton Maritime Ind. Est.	Glenrothes Salda Retail Park	Luton Wingate Road	Rotherham Parkgate Retail World	Torquay Teignmouth Road

Trowbridge
Trowbridge Retail Park

Truro
Newquay Road

Tunbridge Wells
Longfield Road

Wakefield
Ings Road

Wallasey
Bidston Road

Warrington
Wilson Patten Street

Watford
Lower High Street

Wembley
Olympic Way

Weston Super Mare
Winterstoke Retail Park

Wigan
Chapel Lane

Wimbledon
Plough Lane

Wolverhampton
Bilston Road

Worcester
Blackpole Road

Wrexham
Mount Street

York
Osbalwick Link Road

FRANCE

Annecy
Epagny

Antibes

Arras

Aubagne

Avignon
Sorgues

Boulogne
St Martin les boulogne

Calais
Calais Ouest

Chalon-sur-Saône

Cherbourg
Cherbourg La Glacerie

Claye Souilly

Coignières

Corbeil-Essonnes
Villabé

Créteil

Douai
Sin-le-Noble

Englos
Haubourdin

Grenoble
Saint Egrève

Issy Les Moulineaux

Labège
Labège cedex

Le Havre
Montvilliers

Lille

Lyon
Limonest

Lyon
St Bonnet de mûre

Marseille
La Valentine

Montpellier
Pérols

Nice

Noyelles
Noyelles-Godault

Orléans
Saran

Ormesson
Chennevières sur marne

Pantin

Pierrefitte
Pierrefitte sur Seine

Plan de Campagne
Cabries

Portet
Portet sur Garonne

Puget
Puget sur Argens

Roncq

Rouen
Barentin

St Jean de la Ruelle

St Quentin
Montigny le Breconneux

Strasbourg

Toulon
La Garde

Tours
St Pierre des Corps

Vendenheim