

Focus Stores Limited

**Directors' report and financial
statements**

Registered number 1866350
43 weeks ended 24 February 2008

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Directors' report

The directors present their annual report and financial statements for the 43 week period ended 24 February 2008 (2007 26 week period ended 28 April 2007)

Principal activity

The Company has not traded in the financial period

Group acquisition and debt restructuring

On 26 July 2007 FW No 4 Limited, the controlling parent company, and all of its subsidiaries were disposed of as a going concern. The acquirer, FLP2 Limited, a company affiliated with Cerberus European Investments LLC purchased FW No 4 Limited for £1. The acquiring Group also purchased the senior debt at par and made an offer of 40p per £1 nominal value for the mezzanine notes which was accepted by 92.04% of the mezzanine note holders.

The Focus Group, post the acquisition, has a £100 million senior debt facility and a £60 million second lien facility, fully drawn. The senior debt, on which interest is payable in cash, is split into 2 tranches of £50 million with bullet repayment of the first tranche due in 2013 and the second due in 2014. The second lien is also a bullet repayment due after 8 years and carries PIK interest payable on maturity.

As part of the acquisition of FW No 4 Limited the Group's new management engaged Hilco to support the Group's repositioning and sale of 52 under performing stores. Pursuant to contracts exchanged on 11 October 2007 a further 24 stores have been sold and a further 3 stores are expected to be sold within the next 12 months.

Directors

The directors who held office during the period were as follows

WE Archer	(resigned 26 July 2008)
GC Wilson	(resigned 26 July 2008)
SR Johnson	(resigned 26 July 2008)
DR Williams	(resigned 26 July 2008)
W Grimsey	(appointed 26 July 2008)
WJ Hoskins	(appointed 26 July 2008, resigned 28 April 2008)
R Bird	(appointed 12 November 2008)
S Thomas	(appointed 19 November 2008)
G West	(appointed 16 January 2008)


The following directors were appointed after the balance sheet date

R Gladwin	(appointed 7 April 2008)
AV Umitt	(appointed 28 April 2008)

Auditors

The company was dormant within the meaning of the Company Act 1985 throughout the 43 week period to 24 February 2008 and accordingly its accounts have not been audited.

By order of the board


AV Umitt
Finance Director

Gawsworth House
Westmere Drive
Crewe
Cheshire
CW1 6XB

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Balance Sheet
at 43 weeks ended 24 February 2008

	<i>Note</i>	2008 £000	2007 £000
Current assets			
Debtors	3	2	2
		<hr/>	<hr/>
Net assets		2	2
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	4	2	2
Profit and loss account		-	-
		<hr/>	<hr/>
Shareholders' funds		2	2
		<hr/>	<hr/>

The Company has remained dormant throughout the financial period, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss

- (a) For the 43 week period ended 24 February 2008 the Company was entitled to exemption under section 249AA (1) of the Companies Act 1985
- (b) Members have not required the Company to obtain an audit in accordance with section 249B (2) of the Companies Act 1985
- (c) The directors acknowledge their responsibility for
- ensuring the Company keeps accounting records which comply with section 221, and
 - preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial period, and of its profit and loss for the financial period, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to account so far as applicable to the Company

These financial statements were approved by the board of directors on 11th July 08 and were signed on its behalf by



AV Unitt
Finance Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own consolidated financial statements

As the Company was a wholly owned subsidiary of FW No 4 Limited at the balance sheet date, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group. The consolidated financial statements of FW No 4 Limited, within which this Company is included, can be obtained from the address given in note 5

2 Profit and loss account

The Company has not traded during the period or prior period and accordingly no profit and loss account has been prepared

The Company has 5 employees (2007 4) and the directors did not receive any remuneration in respect of their services to the Company (2007 £nil)

3 Debtors

	2008 £	2007 £
<i>Amounts falling due after more than one year</i>		
Amounts owed by Group undertakings	2	2
	<u>2</u>	<u>2</u>

4 Called up share Capital

	2008 £	2007 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

Notes *(continued)*

5 Ultimate holding company

At the period end FLP2 Limited was the ultimate parent Company incorporated in the UK and FW No 4 Limited was the controlling parent Company incorporated in the UK

The largest Group in which the results of the company have been consolidated is headed by FLP2 Limited The smallest Group in which the results of the Company have been consolidated is FW No 4 Limited

Copies of the Group financial statements can be obtained from

Companies House
Crown Way
Cardiff
CF4 3UZ