

THE LINK STORES LIMITED

REGISTERED NO. 3317483

ANNUAL REPORT AND FINANCIAL STATEMENTS

52 weeks ended 29 April 2000



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THE LINK STORES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2000

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THE LINK STORES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company and its subsidiary ("the Group") for the 52 weeks ended 29 April 2000. Comparative figures are for the 52 weeks ended 1 May 1999.

Principal activities

The Group specialises in the sale in the United Kingdom of communication products and related services through stores trading as "The Link". Forty three new stores were opened in the period.

Results

The results of the Group are shown on page 6.

Dividends

The directors recommend that no dividend be paid (1998/99 £nil).

Year 2000

Further details of the Group's Year 2000 activities are shown in the consolidated financial statements of the ultimate parent.

Directors

The directors of the Company during the period were:

J C Clare
V Dev
P A Erskine
I P Livingston
M J Sidders

On 13 July 2000 M J Sidders resigned and S J Davies was appointed a director of the Company.

Directors' share interests

During the period a capital restructuring was effected by the Dixons Group which included the introduction of a new holding company and the issue by that company of 82 ordinary shares of 2.5p each in exchange for every 21 Ordinary shares of 10p each in the previous holding company.

The directors' beneficial and family interests in the share capital of the ultimate parent were:

	Ordinary shares of 2.5p each 29 April 2000 ②	Ordinary shares of 10p each 1 May 1999 ①
J C Clare	800,181	141,593
V Dev	-	-
P A Erskine	-	-
I P Livingston	62,353	5,649
M J Sidders	89,062	22,961

① Shares held in the previous ultimate parent.

② Shares held in the new ultimate parent after notional 4 for 1 share split

THE LINK STORES LIMITED
DIRECTORS' REPORT continued

J C Clare, I P Livingston and M J Sidders are interested as potential beneficiaries in 1,503,925 ordinary shares owned by Dixons TSR Trust Limited, the trustee of the Dixons Group plc share ownership plans. The particulars of the Trust are disclosed in the financial statements of Dixons Group plc.

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

Between the balance sheet date and 5 January 2001 the interests of the following directors changed:

Directors' share interests

	<u>5 January 2001</u>	<u>Ordinary shares 29 April 2000</u>
J C Clare	983,072	800,181
I P Livingston	97,004	62,353

The directors' beneficial and family interests in the share capital of Freeserve plc were:

	<u>Ordinary shares 29 April 2000</u>
J C Clare	13,333
I P Livingston	6,666
M J Sidders	332

The directors acquired their holdings in Freeserve plc during the period. Directors' interests were unchanged at 5 January 2001.

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

Directors' share options

	<u>At 1 May 1999</u>	<u>Granted in period</u>	<u>Exercised in period</u>	<u>At 29 April 2000</u>
J C Clare	977,512	2,000,000	(360,000)	2,617,512
V Dev	-	-	-	-
P A Erskine	-	-	-	-
I P Livingston	213,392	460,000	(41,280)	632,112
M J Sidders	107,656	14,936	(9,948)	112,644

The above table has been restated to reflect the capital restructuring referred to above.

THE LINK STORES LIMITED
DIRECTORS' REPORT continued

Payment policy

The Company has adopted the CBI Prompt Payment Code, information about which may be obtained from the CBI. It is Company policy that payments to suppliers are made in accordance with the terms agreed with suppliers under which business transactions are conducted, provided that the supplier has complied with all relevant terms and conditions. There were no trade creditors at 29 April 2000 or 1 May 1999.

Auditors

Deloitte & Touche are willing to continue in office as auditors to the company. A resolution for their re-appointment and to authorise the Directors to agree their remuneration will be proposed at the annual general meeting.

Equal opportunities

The Group seeks to provide equal opportunities to all its employees regardless of their age, sex, colour, race, religion or ethnic origin. It is the policy of the Group that disabled persons should enjoy the same employment opportunities, training and career development as others where they possess the appropriate skills, experience and qualifications. Special consideration is given to the continuity of employment of any existing employee who becomes disabled and to the provision of alternative employment.

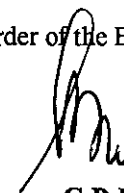
Employee involvement

The Group maintains its commitment to pro-active programmes for involving its employees in its affairs. This is achieved in a variety of ways, including the regular publication of newsletters and employee newspapers, audio tapes, employee briefings and by consultation with recognised trade unions and employee representatives. Regular attitude surveys are undertaken and focus groups held, providing a regular flow of ideas for improving efficiency and performance.

The Group operates The Dixons Group Forum, a body of elected employee representatives through which employees throughout the Group are consulted to ensure that their views are taken into account in making decisions that will affect the business and its employees.

The Group's philosophy is to offer highly incentivised pay systems and focused training programs to enable staff to perform well and to develop to their full potential. The Group's share option schemes, including the Sharesave Scheme and bonus schemes encourage employees at all levels to contribute to the Group's short and long term goals.

By Order of the Board



G D Budd
Secretary

5 January 2001
Registered Office
Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 7TG

THE LINK STORES LIMITED**DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

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

**THE LINK STORES LIMITED
AUDITORS' REPORT**

To the Members of The Link Stores Limited

We have audited the financial statements on pages 6 to 19 which have been prepared under the accounting policies set out on page 11.

Respective responsibilities of directors and auditors

As described on page 4, the Company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and 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 of the Group as at 29 April 2000 and of the profit of the Group for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

5 January 2001
Hill House
1 Little New Street
London EC4A 3TR



Deloitte & Touche
Chartered Accountants
and Registered Auditors

THE LINK STORES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the 52 weeks ended 29 April 2000

	<i>Note</i>	1999/00 £'000	1998/99 £'000
Turnover	<i>1</i>	<u>252,064</u>	<u>164,209</u>
Operating profit	<i>2</i>	24,952	12,487
Net interest	<i>3</i>	386	445
Profit on ordinary activities before taxation		<u>25,338</u>	<u>12,932</u>
Taxation on profit on ordinary activities	<i>5</i>	<u>(8,370)</u>	<u>(4,883)</u>
Retained profit after taxation for the period	<i>14</i>	<u>16,968</u>	<u>8,049</u>

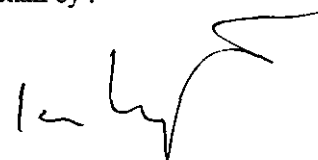
All turnover and operating profit is derived from continuing operations in the United Kingdom.

There are no recognised gains or losses other than the profit for the current and preceding period.

THE LINK STORES LIMITED
CONSOLIDATED BALANCE SHEET
as at 29 April 2000

	Note	<u>£'000</u>	<u>2000</u> <u>£'000</u>	<u>£'000</u>	<u>1999</u> <u>£'000</u>
Fixed assets					
Tangible assets	6		22,221		19,631
Current assets					
Stocks	8	21,511		16,999	
Debtors – due within one year	9	9,885		12,479	
Cash at bank and in hand		<u>10,597</u>		<u>4,368</u>	
		41,993		33,846	
Creditors – due within one year					
Borrowing		(8,200)		(8,200)	
Other creditors	10	<u>(14,471)</u>		<u>(20,614)</u>	
		(22,671)		(28,814)	
Net current assets			<u>19,322</u>		<u>5,032</u>
Total assets less current liabilities			41,543		24,663
Creditors – due after more than one year					
Other creditors	11		(4,200)		(13,591)
Provisions for liabilities and charges	12		<u>(112)</u>		<u>(199)</u>
			37,231		10,873
Equity shareholder's funds					
Ordinary share capital	13		-		-
Share premium account	14	66,687		57,297	
Profit and loss account	14	<u>(29,456)</u>		<u>(46,424)</u>	
			37,231		10,873

The financial statements were approved by the Board of Directors on 5 January 2001 and signed on its behalf by :

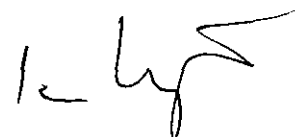


I P Livingston

THE LINK STORES LIMITED
PARENT COMPANY BALANCE SHEET
as at 29 April 2000

	Note	<u>£'000</u>	<u>2000</u> <u>£'000</u>	<u>£'000</u>	<u>1999</u> <u>£'000</u>
Fixed assets					
Tangible assets	6		22,221		19,631
Current assets					
Stocks	8	21,511		16,999	
Debtors	9	9,390		12,479	
Cash at bank and in hand		<u>10,588</u>		<u>4,368</u>	
		41,489		33,846	
Creditors – due within one year					
Borrowing		(8,200)		(8,200)	
Other creditors	10	<u>(26,858)</u>		<u>(27,737)</u>	
		(35,058)		(35,937)	
Net current assets/(liabilities)			<u>6,431</u>		<u>(2,091)</u>
Total assets less current liabilities			28,652		17,540
Creditors – due after more than one year					
Other creditors	11		(4,200)		(13,591)
Provisions for liabilities and charges	12		<u>(112)</u>		<u>(199)</u>
			<u>24,340</u>		<u>3,750</u>
Equity shareholders' funds					
Ordinary share capital	13		-		-
Share premium account	14		66,687		57,297
Profit and loss account	14		<u>(42,347)</u>		<u>(53,547)</u>
			<u>24,340</u>		<u>3,750</u>

The financial statements were approved by the Board of Directors on 5 January 2001 and signed on its behalf by :



I P Livingston

THE LINK STORES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
for the 52 weeks ended 29 April 2000

	<i>Note</i>	1999/00 £'000	1998/99 £'000
Net cash inflow from operating activities	<i>15</i>	20,941	13,144
Returns on investments and servicing of finance			
Interest received		386	445
Taxation			
Taxation paid		(6,529)	(1,915)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(8,375)	(11,224)
Receipts from sale of tangible fixed assets		<u>(193)</u>	<u>105</u>
		(8,568)	(11,119)
Net cash inflow before management of liquid resources and financing		6,230	555
Financing			
Additional share premium received		9,390	10,870
Increase in debt due within one year	<i>16</i>	-	3,200
Reduction in creditors due after one year		<u>(9,391)</u>	<u>(10,869)</u>
		(1)	3,201
Increase in cash in the period	<i>17</i>	<u>6,229</u>	<u>3,756</u>

THE LINK STORES LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the 52 weeks ended 29 April 2000

	1999/00 <u>£'000</u>	1998/99 <u>£'000</u>
Opening shareholders' funds	<u>10,873</u>	<u>(8,046)</u>
Profit for the period	16,968	8,049
Additional share premium	9,390	10,870
	<u>26,358</u>	<u>18,919</u>
Net additions to shareholders' funds	<u>26,358</u>	<u>18,919</u>
Closing shareholders' funds	<u>37,231</u>	<u>10,873</u>

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

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

1.1 Accounting convention and basis of consolidation

The financial statements are prepared in accordance with the historical cost convention. The consolidated financial statements incorporate the financial statements of The Link Stores Limited and its subsidiary company for the 52 weeks ended 29 April 2000. Comparative figures are for the 52 weeks ended 1 May 1999.

1.2 Turnover

Turnover comprises sales of goods and services excluding VAT and sales taxes.

1.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and, where appropriate, provision for impairment or estimated loss on disposal. Depreciation is provided to write off the cost of the assets by equal instalments over their estimated useful lives. The rates used are as follows:

Short leasehold property	- over the term of the lease
Fixtures, fittings and equipment	- between 10% and 33 $\frac{1}{3}$ % per annum

1.4 Investments

Investments in subsidiaries are stated at cost less provisions for any impairment in value.

1.5 Stocks

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

1.6 Deferred taxation

Provision is made or recovery anticipated in respect of all timing differences likely to reverse in the foreseeable future at rates at which the liability or the asset is expected to crystallise.

1.7 Operating leases

Rentals payable under property leases are charged to the profit and loss account in equal instalments up to each market rent review date, throughout the lease term. Rentals payable under leases for plant and machinery are charged to the profit and loss account in equal instalments over the total lease term.

1.8 Post retirement benefits

The expected cost of providing pensions, as calculated periodically by qualified actuaries, is charged to the profit and loss account so as to spread the pension cost over the normal expected service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	1999/00 £'000	1998/99 £'000
2 OPERATING PROFIT		
Turnover	252,064	164,209
Cost of sales	<u>(213,142)</u>	<u>(141,075)</u>
Gross profit	38,922	23,134
Distribution expenses	(2)	(40)
Administration expenses	<u>(13,968)</u>	<u>(10,607)</u>
	<u>24,952</u>	<u>12,487</u>
Operating profit is stated after charging:		
Depreciation	6,443	4,697
Auditors' remuneration		
- audit fees	15	15
Rentals paid under operating leases		
- other	<u>16,666</u>	<u>12,485</u>
3 NET INTEREST		
Interest receivable and similar income from third parties	<u>386</u>	<u>445</u>
4 EMPLOYEES AND DIRECTORS		
Staff costs for the period were:		
Wages and salaries	21,238	15,881
Social security costs	1,627	1,295
Other pension costs	605	567
	<u>23,470</u>	<u>17,743</u>
	<u>Employees</u>	<u>Employees</u>
The average monthly number of employees, including directors, was:	<u>1,702</u>	<u>1,294</u>
The directors received no remuneration (1998/99 £nil) for services to the Company during the period.		
	1999/00 £'000	1998/99 £'000
5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES		
UK corporation tax at 30% (1998/99 30.9%)	8,537	4,759
Deferred taxation	32	124
Adjustment in respect of prior periods:		
Corporation tax	(1)	-
Group Relief	(78)	-
Deferred tax	<u>(120)</u>	<u>-</u>
	<u>8,370</u>	<u>4,883</u>

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	Short Leasehold Property £'000	Fixtures, Fittings and Equipment £'000	Total £'000
6 GROUP AND PARENT COMPANY TANGIBLE FIXED ASSETS			
Cost			
At 1 May 1999	3,151	23,970	27,121
Additions	1,283	7,798	9,081
Disposals	228	(261)	(33)
At 29 April 2000	<u>4,662</u>	<u>31,507</u>	<u>36,169</u>
Depreciation			
At 1 May 1999	309	7,181	7,490
Charge for the period	535	5,908	6,443
Disposals	209	(194)	15
At 29 April 2000	<u>1,053</u>	<u>12,895</u>	<u>13,948</u>
Net book value			
At 29 April 2000	<u>3,609</u>	<u>18,612</u>	<u>22,221</u>
At 1 May 1999	<u>2,842</u>	<u>16,789</u>	<u>19,631</u>

Parent
Company
£

7 FIXED ASSET INVESTMENTS

Cost and net book value

At 29 April 2000 and 1 May 1999

1

Details of the principal subsidiary undertaking are set out in note 25.

	2000		1999	
	Group £'000	Parent Company £'000	Group £'000	Parent Company £'000
8 STOCKS				
Finished goods and goods for resale	<u>21,511</u>	<u>21,511</u>	<u>16,999</u>	<u>16,999</u>
9 DEBTORS				
Due within one year				
Amounts due from other group undertakings	495	-	-	-
Other debtors	<u>9,390</u>	<u>9,390</u>	<u>12,479</u>	<u>12,479</u>
	<u>9,885</u>	<u>9,390</u>	<u>12,479</u>	<u>12,479</u>

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	2000		1999	
	Group £'000	Parent Company £'000	Group £'000	Parent Company £'000
10 CREDITORS - due within one year				
Borrowing				
Loans	8,200	8,200	8,200	8,200
Other creditors				
Amounts due to subsidiary undertaking	-	15,308	-	11,850
Amounts due to other group undertakings	5,560	4,193	18,367	13,648
Corporation tax	6,691	5,148	-	-
Other taxation and social security payable	80	69	763	755
Accruals and deferred income	2,140	2,140	1,484	1,484
	<u>14,471</u>	<u>26,858</u>	<u>20,614</u>	<u>27,737</u>
	<u>22,671</u>	<u>35,058</u>	<u>28,814</u>	<u>35,937</u>
11 CREDITORS - due after more than one year				
Other creditors				
Amounts due to other group undertakings	<u>4,200</u>	<u>4,200</u>	<u>13,591</u>	<u>13,591</u>
12 PROVISIONS FOR LIABILITIES AND CHARGES				
	Group £'000	Parent Company £'000	Group £'000	Parent Company £'000
Deferred taxation				
At 1 May 1999	199	199		
Credit for the period	(87)	(87)		
At 29 April 2000	<u>112</u>	<u>112</u>		
Additional information on deferred taxation				
Deferred taxation for which provision has been made:				
Accelerated capital allowances	170	170	199	199
Other timing differences	(58)	(58)	-	-
	<u>112</u>	<u>112</u>	<u>199</u>	<u>199</u>

There are no unprovided amounts of deferred taxation.

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

13 SHARE CAPITAL

	2000 £	1999 £
Authorised		
20 Ordinary shares of £1 each	20	20
60 'A' Ordinary shares of £1 each	60	60
40 'B' Ordinary shares of 50 pence each	20	20
	<u>100</u>	<u>100</u>
Allotted and fully paid		
60 'A' Ordinary shares of £1 each	60	60
40 'B' Ordinary shares of 50 pence each	20	20
	<u>80</u>	<u>80</u>

A' and 'B' Ordinary shares rank equally as regards dividend entitlements. The holders of the 'A' shares are entitled to 3 votes in aggregate and the holders of the 'B' shares are entitled to 2 votes in aggregate.

14 RESERVES

	Share premium account £'000	Profit and loss account £'000
Group		
At 1 May 1999	57,297	(46,424)
Additional share premium	9,390	-
Retained profit for the period	-	16,968
At 29 April 2000	<u>66,687</u>	<u>(29,456)</u>
Parent Company		
At 1 May 1999	57,297	(53,547)
Additional share premium	9,390	-
Retained profit for the period	-	11,200
At 29 April 2000	<u>66,687</u>	<u>(42,347)</u>

The additional share premium represents deferred consideration due from BT Cellnet during the period.

As permitted by section 230 of the Companies Act 1985, no profit and loss account for the Company is included in these financial statements.

15 NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999/00 £'000	1998/99 £'000
Operating profit	24,952	12,487
Depreciation	6,443	4,697
Increase in stocks	(4,512)	(4,069)
Decrease/(increase) in debtors	2,594	(4,667)
Increase/(decrease) in creditors	(8,777)	4,696
Loss on disposal of fixed assets	241	-
	<u>20,941</u>	<u>13,144</u>

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	1999/00 £'000	1998/99 £'000
16 ANALYSIS OF CASH FLOWS		
Increase in debt due within one year		
Other short term borrowing	-	3,200

17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

Increase in cash in the period	6,229	3,756
Net cash flow from increase in debt due within one year	-	(3,200)
Change in net funds/(debt) resulting from cash flows	6,229	556
Opening net funds	(3,832)	(4,388)
Closing net funds	2,397	(3,832)

18 ANALYSIS OF MOVEMENT IN NET (DEBT)/FUNDS

	1 May 1999 £'000	Cash flow £'000	29 April 2000 £'000
Cash at bank and in hand	4,368	6,229	10,597
Overdrafts	-	-	-
	4,368	6,229	10,597
Debt due within one year	(8,200)	-	(8,200)
Net (debt)/funds	(3,832)	6,229	2,397

Group and Parent Company

	2000 £'000	1999 £'000
19 CAPITAL COMMITMENTS		
Contracted	199	1,304

20 CONTINGENT LIABILITIES

In the normal course of business, the Company has contingent liabilities in respect of lease covenants relating to premises assigned or sublet to third parties.

The Company has given guarantees in respect of its subsidiary undertaking's bank facilities. No amounts were drawn against these facilities at 29 April 2000 (1 May 1999 £nil).

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	<u>2000</u>	<u>1999</u>
	<u>Land and buildings £'000</u>	<u>Land and Buildings £'000</u>
21 OPERATING LEASE COMMITMENTS		
At 29 April 2000 the Company and Group were committed to the following payments during the 52 weeks ending 28 April 2001 in respect of operating leases which expire:		
Within 1 year	1,954	-
Between 2 and 5 years	3,219	3,701
After 5 years	11,779	9,596
	<u>16,952</u>	<u>13,297</u>

22 POST RETIREMENT BENEFITS

Subject to certain criteria, the Company's permanent employees are eligible to join a funded, contributory pension scheme which provides, inter alia, pension benefits based on final pensionable salary. The assets of the scheme are held by a separate trust. Contributions are assessed in accordance with the advice of independent qualified actuaries so as to spread the pension cost over the normal expected service lives of members.

The scheme is valued by a qualified actuary at least every three years. The last valuation was carried out as at 6 April 1998, using the projected unit method.

Further particulars of the schemes are disclosed in the financial statements of Dixons Group plc.

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

23 RELATED PARTY DISCLOSURE

Transactions with group undertakings

During the period, the Company paid DSG Retail Limited £10,704,681 (1998/99 £7,926,000) for the provision of management services. In addition, all purchases, payments and receipts were made through DSG Retail Limited on behalf of the Company. All transactions were made on normal commercial terms.

During the period, DSG Retail Limited provided a non-interest bearing working capital loan to the Company as follows:

Loans made	£'000
As at 1 May 1999	12,300
Maximum loan made during the period	15,300
Balance at 29 April 2000	12,300

Period end balances with group undertakings are as follows:

	Group	
	2000	1999
	£'000	£'000
Debtors:		
DSG Retail Limited	495	0
Creditors:		
DSG Retail Limited	4,272	(11,885)
Mastercare Coverplan Service Agreements Limited	122	(98)
Dixons Group plc	-	(3,359)
Coverplan Insurance Services Limited	1,166	(3,025)
	5,560	18,367

Transactions with minority shareholder

With effect from the close of business on 3 May 1997, 40% of the share capital of the Company was sold to Telecom Securicor Cellular Radio Limited ("Cellnet") and during the period, further consideration of £7,500,000 became payable.

Under normal commercial terms, the Company received cellular telephone income from Cellnet for the year of £72,521,087 (1998/99 £62,547,693).

During the period, Cellnet provided a non-interest bearing working capital loan to the Company as follows:

Loans made	£'000
As at 1 May 1999	8,200
Maximum loan made during the period	10,200
Balance at 29 April 2000	8,200

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

24 PARENT COMPANY

The Company's immediate parent and controlling party is DSG Retail Limited.

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

25 PRINCIPAL SUBSIDIARY UNDERTAKING

The principal subsidiary undertaking at 29 April 2000 was Link FS Limited. It is wholly owned, incorporated and operates in the United Kingdom and is registered in England and Wales.

In the opinion of the directors, the aggregate value of the shares in and amounts due from the Company's subsidiary undertaking are not less than the aggregate of the amounts at which assets are included in the Company's balance sheet.