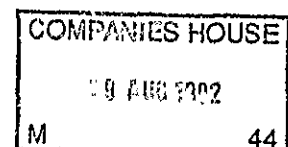


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Directors and Officers

DIRECTORS

D. M. Coombs, *Joint Chairman and Managing Director*

C. K. Coombs, B.Com., F.S.C.A., *Joint Chairman*

G. D. C. Coombs, M.A. (Oxon) M.Sc. (Lon)

R. E. J. Fisher, F.C.A.

K. J. Baddeley

J. Ambler, B.Com.

SECRETARY

J. Ambler, B.Com.

AUDITORS

Alkin Fine & Co.
Chartered Accountants
Alfin House
57/59 Warwick Road
Birmingham B11 4RB

REGISTRARS

Regis Registrars Limited
Balfour House
390/398 High Road, Ilford
Essex IG1 1NQ

STOCKBROKERS

Gerrard Vivian Gray
Burne House
88 High Holborn
London WC1V 6LS

SOLICITORS

Edge & Ellison Calow Easton
Rutland House
148 Edmund Street
Birmingham B3 2JR

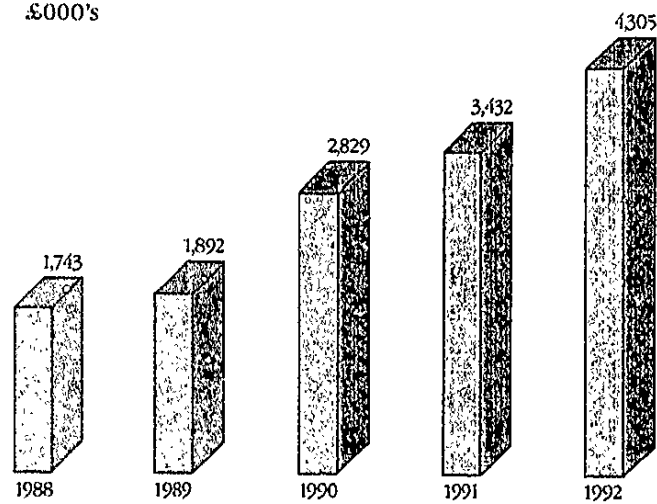
REGISTERED OFFICE

51/53 Edgbaston Street
Birmingham B5 4QF
Registered in England 342025

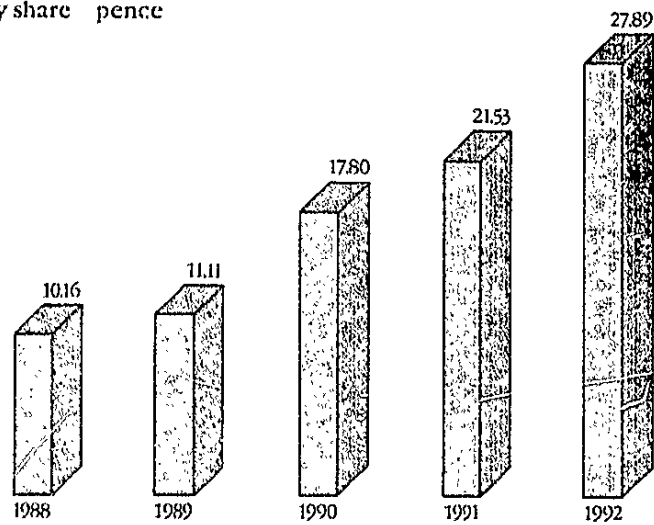
Financial Highlights

	1992 £000	1991 £000
Turnover	52,321	46,301
Profit before taxation	4,305	3,432
Earnings per ordinary share	27.89p	21.53p
Dividends per ordinary share	9.00p	8.00p

Profit before taxation £000's



Earnings per ordinary share pence



Chairman's Statement

I am proud to announce that the pre-tax profits for the financial year ending 31st January, 1992 have increased from £3.4m to £4.3m on a turnover of £52.3m. Earnings per share rose from 21.53p to 27.89p.

These commendable results owe a great deal to the quality of our management and the training and efficiency of our staff.

S. & U. has branches trading throughout England and Wales and is amongst the market leaders in unsecured lending with a credit risk ratio that is one of the best.

Our hosiery subsidiary, A. E. Holt of Leicester, is making a helpful contribution, principally through the expansion of export sales to Western Europe but also from substantial contracts with major UK store groups.

Dividend and Scrip Issue

The Board is recommending a final dividend of 6.8p per share making a total for the year of 9.00p per share which represents an increase of 12.5%. We are also recommending the capitalisation of £121,252 by the issue of 970,019 new ordinary shares of 12½p each on the basis of 1 new ordinary share for every 10 ordinary shares held on 8th May, 1992. These new ordinary shares will not rank for the final dividend. It is anticipated that the shares will be quoted ex the capitalisation issue on 11th June, 1992.

Increase in Authorised Capital

Your directors recommend that the authorised ordinary share capital of the Company be increased to £1.8m and a resolution in respect of this will be placed before shareholders at the Annual General Meeting of the company to be held on 10th June, 1992. Your directors have no present intention of recommending the issue of any such capital, and no additional capital will be issued which would effectively alter the control of the company, without an appropriate resolution being placed before members in general meeting.

Change of Name

The company no longer operates primarily through retail stores and consequently your board has decided to recommend that the name be changed to S. & U. plc. It is also intended that in future the shares should be quoted in the financial sector since this will more properly reflect the nature of your company's business.

Appointment of Brokers and Financial Advisers

Your board has appointed Gerrard Vivian Gray as stockbrokers and financial advisers to the company. Gerrard Vivian Gray provides a wide range of stockbroking services to corporate institutional, professional and private clients.

Conclusion

The directors anticipate that providing trading continues at current levels, your company will be able to at least maintain the same level of dividend that is a total of 9.00p per share during the coming year on the enlarged capital.

Derek M. Coombs

Chairman

28th April 1992

Locations

BACUP
 BIRMINGHAM
 BRISTOL
 DUNSTABLE
 FALMOUTH
 HEREFORD
 LEICESTER
 LEWISHAM
 MANCHESTER
 NEATH
 NEWCASTLE-ON-TYNE
 PETERBOROUGH
 PLYMOUTH
 SHEFFIELD
 SOUTHAMPTON
 STOKE-ON-TRENT
 SUTTON-IN-ASHFIELD
 WHITEHAVEN
 WOLVERHAMPTON



Directors' Report

continued

SUBSTANTIAL SHAREHOLDINGS

On 20th April 1992, the company had been advised of the following substantial interest in the issued ordinary share capital:

	Number of Ordinary Shares	Percentage of issued ordinary share capital
Truedene Company Limited	2,000,000	20.62
Harmin Limited	437,000	4.51
Phildrew Nominees Limited	449,614	4.64
Pierrette Limited	318,750	3.29

CAPITAL EXPENDITURE

The changes in the group's fixed assets are shown in the notes on page 15.

EMPLOYEE INVOLVEMENT

Regular meetings are held with employees to discuss trading, financial position and prospects. Opportunity is given at these meetings for senior executives to be questioned about matters which concern the employees.

CLOSE COMPANY

So far as is known, the company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

DONATIONS

No charitable or political donations were made in the period.

TAURUS

Taurus is a new system of electronic settlement being introduced by the Stock Exchange. It will provide for recording the ownership and transfer of shares in Listed Companies using computer records in place of certificates and stock transfer forms.

We intend to seek shareholders' approval for S. & U. Stores plc to enter Taurus at the 1993 annual general meeting and will of course be communicating with you in advance of that date.

SPECIAL BUSINESS AT ANNUAL GENERAL MEETING

Increase in Authorised Share Capital—Resolution No. 6

An ordinary resolution will be proposed increasing the authorised share capital of the company from £2,000,000 to £2,450,000 by the creation of 3,600,000 new Ordinary shares of 12.5p each. This resolution is being proposed in order to provide a reserve of authorised but unissued share capital. Following the proposed Capitalisation Issue

Directors' Report

The directors present the audited accounts of the group for the year ended 31st January 1992 which were approved by the board on 28th April 1992. The directors report as follows:—

ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the group is consumer credit which includes financial services, hire purchase, sales of electrical and household merchandise and television rentals throughout England and Wales. The group also manufactures hosiery primarily for export.

RESULTS AND DIVIDENDS

The group's profit for the financial year and dividends paid and proposed are shown in the group profit and loss account on page 10. The amount transferred to reserves is £1,832,000 (1991 £1,312,000).

DIRECTORS AND THEIR INTERESTS

The directors throughout the year are as listed on page 2.

At the annual general meeting the director retiring by rotation will be Mr. R. E. J. Fisher who will offer himself for re-election. Mr. Fisher does not have a contract of service with the company.

The directors' beneficial interests are as follows:—

	At 31st January 1992		At 31st January 1991	
	31.5% Preference	Ordinary	31.5% Preference	Ordinary
D. M. Coombs	70,000	1,993,177	70,000	1,993,177
C. K. Coombs	14,225	1,943,083	14,225	1,933,083
G. D. C. Coombs	—	211,000	—	211,000
R. E. J. Fisher	2,000	14,000	2,000	14,000
Miss J. Ambler	—	3,240	—	3,240

Grewayne Properties Ltd., a company of which Mr. G. D. C. Coombs is a director and shareholder, owned 205,000 ordinary shares in the company at 31st January 1992.

Since 31st January 1992 there have been no changes in directors' interests.

No director held any 4.2% preference shares in the company during the year.

There were no contracts subsisting during or at the end of the financial year in which a director of the company was materially interested.

EMPLOYMENT OF DISABLED PERSONS

The group continues to give full and fair consideration to applications for employment by disabled persons, together with the policy of fulfilling its obligations towards employees who are disabled or become disabled during the period of their employment by group companies.

referred to below, there will be a reserve of authorised but unissued Ordinary share capital of £166,224 representing 25.9% of the total authorised Ordinary share capital of the company. Except for the proposed Capitalisation Issue, your directors have no present intention of making any issue of share capital and no issue will be made which would effectively alter the control of the company without the prior approval of shareholders in general meeting.

Authority to Allot Shares—Resolution No. 7

In the event of the ordinary resolution increasing the authorised share capital being duly passed, it will be necessary for your directors to have authority to allot the unissued Ordinary shares in the capital of the company pursuant to the provisions of Section 80 of the Companies Act 1985 ('the Act'). Accordingly, an ordinary resolution is proposed in order to give your directors authority to allot part of the unissued Ordinary shares in the capital of the company up to a nominal amount of £444,591 which is just under one third of the enlarged issued Ordinary share capital of the company following the Capitalisation Issue. This authority will be effective for a period of five years from the date of the annual general meeting, which is the maximum period permitted by the Act.

Capitalisation Issue—Resolution No. 8

In order that the issued share capital reflects the growth in shareholders funds your directors are recommending a one for ten Capitalisation Issue which will involve capitalising the sum of £121,253.37, being part of the amount standing to the credit of the company's Share Premium Account. This amount will be applied in paying up in full at par 970,019 new Ordinary shares of 12.5p each in the capital of the company in the proportion of 1 new Ordinary share for every 10 Ordinary shares held at the close of business on 8th May 1992. No Ordinary shareholder will be entitled to a fraction of a new Ordinary share and all new Ordinary shares representing fractions (the value of which is less than £2) will be sold in the market and the net proceeds retained for the benefit of the company.

Application will be made to the London Stock Exchange for the 970,019 new Ordinary shares to be admitted to the Official List, and it is anticipated that dealings therein will commence on Thursday 11th June 1992. The new Ordinary shares will be issued on Definitive Certificates which will be posted to shareholders on Wednesday 10th June 1992. The new Ordinary shares will rank *pari passu* with the existing Ordinary shares in the capital of the company except that they will not of course rank for the recommended final dividend for the year ended 31st January 1992, which will be paid on Wednesday 1st July 1992.

Change of Name—Resolution No. 9

A special resolution is being proposed changing the name of the company to S. & U. plc to reflect the fact that the company no longer operates primarily through retail stores.

In the event that the special resolution is passed, it is expected that the change of name will be effected on 19th June 1992. All existing share certificates will remain valid following the change of name and shareholders need take no action with regard to such certificates.

AUDITORS

Alkin Fine & Co. have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.

By order of the board

J. Ambler

Secretary

51/53 Edgbaston Street
Birmingham B5 4QH

28th April 1992

Group Profit and Loss Account

for the year ended 31st January 1992

	Note	1992 £000	1991 £000
Turnover	1	52,321	46,301
Cost of sales		36,964	32,424
Gross profit		15,357	13,877
Operating and administration expenses		10,336	9,670
Operating profit		5,021	4,207
Interest payable	2	716	775
Profit on ordinary activities before taxation	3	4,305	3,432
Taxation on profit on ordinary activities	4	1,450	1,194
Profit on ordinary activities after taxation		2,855	2,238
Preference dividends paid			
On 4.2% cumulative preference shares	8		8
On 31.5% cumulative preference shares	142		142
		150	150
Profit available for appropriation		2,705	2,088
Ordinary dividends			
Interim of 2.20p per share (1991 2.00p)	213		194
Proposed final of 6.80p per share (1991 6.00p)	660		582
		873	776
Amount set aside to reserves	12	1,832	1,312
Earnings per ordinary share	5	27.89p	21.53p
Dividends per ordinary share		9.00p	8.00p

Balance Sheets

31st January 1992

	Note	Group		S. & U. Stores PLC	
		1992 £000	1991 £000	1992 £000	1991 £000
Fixed assets					
Tangible assets	6	4,351	4,372	2,003	2,017
Investments	7	—	—	2,892	2,892
		4,351	4,372	4,895	4,939
Current assets					
Stocks	8	465	421	141	218
Debtors	9	17,660	14,167	10,592	8,788
		18,125	14,588	10,733	9,006
Creditors: amounts falling due within one year	10	(10,712)	(9,028)	(7,251)	(6,700)
Net current assets		7,413	5,560	3,482	2,306
Total assets less current liabilities		11,764	9,932	8,377	7,245
Capital and reserves					
Called up share capital	11	1,863	1,863	1,863	1,863
Share premium account	12	2,390	2,390	2,390	2,390
Revaluation reserve	12	1,321	1,342	806	818
Other reserves	12	(1,125)	(1,125)	—	—
Profit and loss account	12	7,315	5,462	3,318	2,174
		11,764	9,932	8,377	7,245

Approved by the Board 28th April 1992.

D. M. Coombs

C. K. Coombs

} Directors

Consolidated Cash Flow Statement

for the year ended 31st January 1992

	Note	1992 £000	1991 £000
Operating activities			
Net cash inflow from operating activities	13	2,940	2,430
Returns on investments and servicing of finance			
Interest received		2	5
Interest paid		(726)	(771)
Dividends paid		(875)	(852)
Net cash outflow from returns on investments and servicing of finance		(1,599)	(1,618)
Taxation paid		(1,215)	(988)
Net cash inflow (outflow) before investing and financing		126	(176)
Investing activities			
Purchase of tangible fixed assets		(874)	(853)
Sale of tangible fixed assets		135	235
Net cash outflow from investing activities		(739)	(618)
Net cash outflow before financing		(613)	(794)
Financing			
Issue of ordinary share capital		—	22
Net cash inflow from financing		—	22
Decrease in cash and cash equivalents	14	(613)	(772)

Accounting Policies

The accounting policies set out below have been applied by the group in the preparation of its accounts for the year ended 31st January 1992 and are consistent with previous years, unless stated.

ACCOUNTING CONVENTION

The accounts have been prepared in accordance with applicable Accounting Standards using the historical cost convention as modified by the revaluation of freehold properties.

CONSOLIDATION

The group profit and loss account and balance sheet include the accounts of the parent company and its subsidiary undertakings made up to the end of the financial year. As permitted by s.230 of the Companies Act 1985, the parent company has not presented its own profit and loss account.

TANGIBLE FIXED ASSETS

Depreciation has been provided to write off the valuation or cost over their estimated lives as follows:—

Freehold buildings	1% per annum straight line
Fixtures and plant	10% to 20% per annum on reducing balance
Vehicles	25% per annum on reducing balance
Computers	20% per annum straight line
Television Sets	20% per annum straight line

ASSETS ON HIRE PURCHASE

Assets held under hire purchase agreements are capitalised when they are acquired and are depreciated in the same manner as owned assets. The resulting hire purchase obligation is included with creditors.

STOCKS

Stocks have been stated at the lower of cost and estimated net realisable value. The cost of goods manufactured within the group comprises materials, labour and related overheads.

DEBTORS

Bad debts are written off and a specific provision is made on all debts which are considered doubtful.

DEFERRED TAXATION

Provision for taxation deferred by accelerated capital allowances is made only to the extent that there is a reasonable probability that such taxation will become payable in the foreseeable future.

DEFERRED REVENUE

Interest and service charge is taken to profit and loss account when the consumer credit is granted and an adjustment is made for deferred revenue at the end of the accounting period.

Deferred revenue comprises a proportion of revenue included in debtors, remaining after covering initial costs, which is carried forward into future periods. The amount carried forward is calculated to allow for an appropriate contribution to profits in subsequent accounting periods.

GOODWILL

Goodwill is written off to reserves in the year in which it arises.

Notes to the Accounts

1. TURNOVER, PROFITS AND NET ASSETS

Turnover represents goods sold to and amounts collectable from customers outside the group, less returns and V.A.T. (where applicable).

Group turnover, profit before taxation and net assets employed by class of business are analysed below:

	Turnover		Profit before taxation		Net assets employed	
	1992 £000	1991 £000	1992 £000	1991 £000	1992 £000	1991 £000
Consumer credit, rentals and other retail trading	51,035	45,610	4,174	3,484	11,435	9,701
Manufacturing including exports to Europe of £1,072,608 (1991 £632,283)	1,286	691	131	(52)	329	231
	52,321	46,301	4,305	3,432	11,764	9,932

2. INTEREST PAYABLE

	1992 £000	1991 £000
On bank loans and overdrafts	714	775
On hire purchase liabilities	2	—
	716	775

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Stated after charging or (crediting):	1992 £000	1991 £000
Wages and salaries	4,341	4,098
Social security costs	449	393
Other pension costs	28	26
Depreciation	741	728
Hire of plant and machinery	11	9
Auditors' remuneration	51	49
Profit on sales of land and buildings	—	(24)

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1992 £000	1991 £000
Corporation tax payable at 33.16% (1991 34.16%) based on the profit for the year	1,469	1,258
Adjustments in respect of prior years	(19)	(64)
	1,450	1,194

No account has been taken of the liability to taxation which could arise if the properties were to be disposed of at the amount at which they are stated in the balance sheet, as it is expected that the properties will be retained by the group and it is impracticable to quantify the potential liability.

5 EARNINGS PER ORDINARY SHARE

Earnings per share has been calculated on 9,700,189 (1991 9,700,189) ordinary shares in issue and on earnings of £2,705,000 (1991 £2,088,000).

6. TANGIBLE ASSETS

	Group		S. & U. Stores PLC	
	1992	1991	1992	1991
	£000	£000	£000	£000
Fixed assets				
Freehold land and buildings				
Valuation and cost at 31st January 1991	2,353	2,415	1,202	1,264
Additions	1	—	—	—
Disposals	—	(62)	—	(62)
	2,354	2,353	1,202	1,202
Depreciation at 31st January 1991	248	231	141	135
Provision for the year	23	23	12	12
Disposals	—	(6)	—	(6)
	271	248	153	141
Net book value at 31st January 1992	2,083	2,105	1,049	1,061

Freehold properties were professionally valued at 31st March 1973 at £1,980,623 for the group (£1,123,000 for S. & U. Stores PLC). Additions since are at cost.

Fixtures, plant, vehicles, computers and televisions

Cost at 31st January 1991	5,037	4,727	2,219	2,064
Additions	873	853	346	398
Disposals	(528)	(543)	(261)	(243)
	5,382	5,037	2,304	2,219
Depreciation at 31st January 1991	2,770	2,434	1,233	1,097
Provision for the year	718	705	312	299
Disposals	(374)	(369)	(195)	(163)
	3,114	2,770	1,350	1,233
Net book value at 31st January 1992	2,268	2,267	954	986
Total tangible fixed assets	4,351	4,372	2,003	2,047

Notes to the Accounts

continued

6. TANGIBLE ASSETS (continued)

The net book value of motor vehicles includes an amount of £174,000 (1991 £nil) in respect of assets held under hire purchase agreements. Depreciation of £58,000 was provided on these assets during the year (1991 £nil).

The historical cost and related depreciation of freehold land and buildings at 31st January 1992 was:

	Group		S. & U. Stores PLC	
	1992 £000	1991 £000	1992 £000	1991 £000
Historical cost	685	685	304	304
Accumulated depreciation	258	241	136	131
	427	444	168	173

At 31st January 1992 there were no commitments for capital expenditure either contracted for or authorised by the board (1991 £nil).

7. INVESTMENTS

	S. & U. Stores PLC	
	1992 £000	1991 £000
Shares in subsidiary undertakings:		
Cost of shares less amounts written off	2,892	2,892

All the principal group undertakings are incorporated in England and their activities are as shown on page 25.

8. STOCKS

	Group	
	1992 £000	1991 £000
Raw materials	25	19
Work in progress	239	136
Finished stock	201	266
	465	421

The stock of S. & U. Stores PLC is all finished stock.

The estimated replacement cost of stocks is not materially different from the above amounts.

9 DEBTORS

	Group		S. & U. Stores PLC	
	1992 £000	1991 £000	1992 £000	1991 £000
Trade debtors	16,939	13,664	8,065	6,321
Amounts owed by subsidiary undertakings	—	—	2,282	2,220
Other debtors	577	384	188	207
Prepayments	144	119	57	40
	17,660	14,167	10,592	8,788

10. CREDITORS

Amounts falling due within one year:	Group		S. & U. Stores PLC	
	1992 £000	1991 £000	1992 £000	1991 £000
Bank overdrafts	6,370	5,758	3,841	3,615
Trade creditors	1,439	877	440	418
Amounts owed to subsidiary undertakings	—	—	1,513	1,442
Other taxation and social security	190	119	71	48
Corporation tax	1,225	1,254	234	395
Other creditors	369	148	235	55
Accruals	403	290	218	145
Obligations under hire purchase contracts	56	—	39	—
Proposed ordinary dividend	660	582	660	582
	10,712	9,028	7,251	6,700

11. CALLED UP SHARE CAPITAL

	Authorised		Issued and fully paid	
	1992 £000	1991 £000	1992 £000	1991 £000
4.2% Cumulative preference shares of £1 each	200	200	200	200
31.5% Cumulative preference shares of 12.5p each	450	450	450	450
Ordinary shares of 12.5p each	1,350	1,350	1,213	1,213
	2,000	2,000	1,863	1,863

Notes to the Accounts

continued

12 RESERVES

	Group		S. & U. Stores PLC	
	1992 £000	1991 £000	1992 £000	1991 £000
Share premium account	2,390	2,390	2,390	2,390
Revaluation reserve at 31st January 1991	1,342	1,362	818	830
Transfer to profit and loss account depreciation on freehold properties	(21)	(20)	(12)	(12)
Balance at 31st January 1991	1,321	1,342	806	818
Other reserves — goodwill written off	(1,125)	(1,125)	—	—
Profit and loss account				
Balance at 31st January 1991	5,462	4,130	2,174	1,840
Amount set aside from profit for the financial year	1,832	1,312	1,132	322
Transfer from revaluation reserve depreciation on freehold properties	21	20	12	12
Balance at 31st January 1992	7,315	5,462	3,318	2,174

The amount of the consolidated profit for the financial year dealt with in the company's accounts is shown above, after deduction of dividends paid and proposed.

13. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1992 £000	1991 £000
Operating profit	5,021	4,207
Depreciation	741	728
Loss/(Profit) on sale of tangible fixed assets	59	(40)
Increase in stocks	(44)	(74)
Increase in debtors	(3,564)	(3,001)
Increase in creditors	727	610
Net cash inflow from operating activities	2,940	2,430

14. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1992 £000	1991 £000
Balance at start of year	(5,758)	(4,986)
Net cash outflow	(613)	(772)
Balance at end of year	(6,371)	(5,758)

15. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1992 £000	1991 £000	Change in year £000
Bank overdrafts	(6,371)	(5,758)	(613)

16. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital and Share Premium	
	1992 £000	1991 £000
Balance at start of year	4,253	4,231
Net cash inflow from financing	—	22
Balance at end of year	4,253	4,253

Notes to the Accounts

continued

17. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1992	1991
A Employees		
The average weekly number of persons employed by the group in the United Kingdom was	531	538
The above includes:		
Manufacturing division employees	41	26
Part time workers	33	40
	1992	1991
	£	£
B Directors' emoluments		
Directors' emoluments for management services	376,240	360,265
Compensation for loss of executive status in subsidiary undertaking	30,000	—
	100,000	100,000
Joint chairmen (each)		

The table which follows shows the number of other directors and their salary ranges, excluding pension contributions, were within the bands stated:

	1992	1991
£15,001 to £20,000	1	1
£40,001 to £45,000	1	1
£45,001 to £50,000	—	1
£50,001 to £55,000	1	1
£55,001 to £60,000	1	—

18. PENSIONS

The group operates both defined benefit and defined contribution type pension schemes.

The assets of the S. & U. Stores PLC defined benefit pension scheme are held under trust. The scheme is closed to new entrants. Contributions to the scheme are determined on the advice of a qualified actuary on the basis of triennial valuations using the attained age method. The last such valuation was carried out as at 31st March 1989 and the main actuarial assumptions employed were a 2% per annum excess of investment returns over salary growth and no increases to present and future pensions in payment. The market value of the assets of the scheme at the valuation date was £626,000 and the actuarial value of these assets represented 118% of the value of the benefits that had accrued to members, after allowing for expected future increases in earnings. The surplus position produces a nil pension cost in the period and no further contributions from the company are foreseen.

The pension cost charged in the accounts represents the contributions in respect of the accounting period payable by the group to the defined contribution schemes.

Report of the Auditors

To the members of S. & U. Stores PLC

We have audited the financial statements on pages 10 to 20 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31st January 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Alkin Fine & Co.

*Chartered Accountants
Registered Auditor*

Alfin House
57/59 Warwick Road
Birmingham B11 4RB

28th April 1992

Notice of Meeting

Notice is hereby given that the fifty-fourth annual general meeting of S. & U. Stores PLC will be held at the Plough and Harrow Hotel, Hagley Road, Edgbaston, Birmingham B16 8LS on Wednesday 10th June 1992 at 11.30 a.m. for the following purposes:

Ordinary Business

1. To receive and adopt the Statement of Accounts for the year ended 31st January 1992 together with the Reports of the Directors and Auditors.
2. To declare a final dividend.
3. To re-elect a director.
4. To re-appoint auditors.
5. To authorise the directors to agree the remuneration of the auditors.

Special Business

To propose the following as ordinary resolutions:

6. THAT the authorised share capital of the company be and is hereby increased from £2,000,000 to £2,450,000 by the creation of 3,600,000 new ordinary shares of 12.5p each.
7. THAT subject to the passing of ordinary resolution number 6 set out in the notice convening this meeting the directors of the company be and they are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to allot relevant securities (within the meaning of such Section) of the company up to an aggregate nominal value of £444,591 such authority to expire on 9th June 1997 save that the company may before such expiry make offers or agreements which would or might require relevant securities of the company to be allotted after such expiry.
8. THAT the sum of £121,252.37 being part of the amount standing to the credit of the company's share premium account be capitalised and appropriated as capital to and amongst the persons whose names appear in the company's register of members as the holders of ordinary shares of 12.5p each in the capital of the company at the close of business on 8th May 1992 and that the directors of the company be and they are hereby authorised and directed to apply such sum in paying up in full at par 970,019 new ordinary shares of 12.5p each in the capital of the company and to distribute the same credited as fully paid up to and amongst such persons in the proportion of one new ordinary share for every ten ordinary shares of 12.5p held at the close of business on the 8th May 1992 in satisfaction of their shares and interests in the said capitalised sum and that the said shares so distributed shall be treated for all purposes as an increase of the nominal amount of the capital of the company held by each such shareholder and not as income. No ordinary shareholder shall be entitled to a fraction of a new ordinary share and all new ordinary shares representing fractions shall be sold in the market and the net proceeds retained for the benefit of the company. The new ordinary shares shall rank *pari passu* in all respects with the existing ordinary shares in the capital of the company except that they will not rank for dividends in respect of the year ended 31st January 1992.

To propose the following as a special resolution:

- 9 THAT with the consent of the Secretary of State for Trade and Industry the name of the company be changed to:

'S & U' plc'.

By order of the board

J. Ambler

Secretary

Dated 14th May 1992

Registered office

51.53 Edgbaston Street
Birmingham B5 4QH

Notes

1. Any member of the company entitled to attend and vote at this meeting may appoint another person or persons as a proxy to attend and, on a poll, to vote in his stead. The proxy need not be a member of the company.
2. In accordance with the company's articles of association, holders of the 4.2% and 31.5% cumulative preference shares are not entitled to attend or vote in respect of these shares at this annual general meeting.
3. None of the directors have a service contract.
4. The register of the directors' interests required to be kept under the Companies Act 1985 will be available for inspection at the annual general meeting.

Five Year Financial Statement

	1988 £000	1989 £000	1990 £000	1991 £000	1992 £000
Profit on ordinary activities before taxation	1,743	1,892	2,827	3,432	4,305
Corporation tax	(670)	(717)	(968)	(1,194)	(1,450)
Profit after taxation	1,073	1,175	1,861	2,238	2,855

Assets employed

Fixed assets	3,750	4,385	1,177	4,372	4,351
Current assets	8,444	10,103	11,686	14,588	18,125
	12,194	14,578	16,163	18,960	22,476
Creditors	(5,495)	(7,211)	(7,566)	(9,028)	(10,712)
Net assets employed	6,699	7,367	8,597	9,932	11,764

Funds

Called up share capital	1,786	1,803	1,851	1,863	1,863
Reserves	4,913	5,564	6,746	8,069	9,901
Shareholders' funds	6,699	7,367	8,597	9,932	11,764
Earnings per ordinary share	10.16p	11.11p	17.80p	21.53p	27.89p

Statistics

Profit before taxation as a percentage of turnover	4.6%	5.0%	6.5%	7.4%	8.2%
Profit before taxation as a percentage of net assets	26.0%	25.7%	32.9%	34.6%	36.6%
Net borrowings as a percentage of shareholders funds	30.8%	55.1%	58.0%	57.9%	54.6%

Principal Subsidiary Undertakings

The following principal subsidiary undertakings, all of which are wholly owned, operate and are incorporated in England and Wales.

CONSUMER CREDIT, RENTALS AND OTHER RETAIL TRADING

S. D. Taylor Limited
Wilson Topholme Limited

MANUFACTURING

A. E. Holt (Leicester) Limited

Financial Calendar 1992/93

Annual General Meeting	10th June 1992
Announcement of Results:	
Half year to 31st July	October
Year to 31st January	April
Payment of dividends:	
4.2% Preference shares	30th September and 31st March
31.5% Preference shares	31st July and 31st January
Ordinary shares — Final	1st July 1992
— Interim	November 1992

