

2307708

Furniture Village Limited

Report and Financial Statements

For the 53 weeks ended 3 April 2005



Furniture Village Limited

Registered No: 2307708

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Directors

J C Hodgkinson (Chairman)
P J Harrison
D J G Imrie
J M L Clark
E G Wynne
E Duggan

Secretary

A J F Burton

Auditors

Ernst & Young LLP
Apex Plaza
Reading
Berkshire
RG1 1YE

Bankers

Bank of Scotland
Beaumont House
3 Queens Road
Reading
Berkshire
RG1 4AR

Registered Office

258 Bath Road
Slough
Berkshire
SL1 4DX

Directors' Report

The Directors present their report and financial statements for the 53 weeks ended 3 April 2005.

Principal activity and review of the business

The principal activity of the Company continues to be the sale of quality furnishings in the retail market.

Turnover has increased by 8% to £138,453,000 (2004: £128,478,000) during the year and operating profit increased by 10% from £5,592,000 to £6,175,000. Four new outlets were opened during the year with one closure, bringing the number of trading outlets to thirty-six.

Results and Dividends

The profit for the year, after taxation but before dividends, amounted to £4,166,000 (2004: £4,267,000). The Directors have authorised and paid a dividend to Furniture Village Group Limited, the parent company, of £10,922,000 (2004: £nil) during the year. Preference dividends of £222,000 (2004: £222,000) were also paid to Furniture Village Group Limited during the year.

Future Developments

Three new stores are budgeted for 2005/06 with further expansion opportunities being investigated. A major redevelopment of our Southampton store is committed to take place in Autumn 2005. Several new store opportunities are currently being considered for the second half of 2005/06 and beyond.

Directors and their Interests

The current Directors, who are listed on page 1, all served throughout the year covered by this report, with the exception of Mr E Duggan, who was appointed as a Director on 16 December 2004.

With Furniture Village Limited being the trading company, no Director held any "A" ordinary shares, any "B" ordinary shares nor any beneficial interest in the preference shares of the Company at 29 March 2004 or throughout the year ended 3 April 2005.

Directors' liabilities

The company has indemnified the directors of the company against liability in respect of proceedings brought about by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision was in force throughout the year.

Disabled Employees

The Company gives full consideration to applications for employment from disabled persons where requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the Company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the Group has been continued. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the various incentive arrangements, which cover everyone employed within the business.

Directors' Report

Charitable Contributions

The Company's charitable donations for the period were £23,349 (2004: £29,076).

Events Subsequent to the Balance Sheet Date

On 15 July 2005, our London Furniture Company store, based at Duke of York's Square, London, closed.

Elective Resolution and Auditors

The company has passed Elective Resolutions to dispense with the laying of the financial statements before the Company in General Meeting, the appointment of auditors annually and the holding of the Annual General Meetings, pursuant to sections 252, 386 and 366A of the Companies Act.

By order of the Board



Secretary

14 December 2005

Statement of Directors' responsibilities in respect of the financial statements

Company law requires the Directors to prepare financial statements for each financial year which 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 those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Furniture Village Limited

We have audited the Company's financial statements for the 53 weeks ended 3 April 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Statement of Cash Flows and the related notes 1 to 23. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 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.

Independent auditors' report

to the members of Furniture Village Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 3 April 2005 and of its profit for the 53 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Reading

14 December 2005

Profit and Loss Account

For the 53 weeks ended 3 April 2005

		53 weeks to 3 April 2005	52 weeks to 28 March 2004
	Note	£'000	£'000
Turnover	2	138,453	128,478
Cost of sales		(74,853)	(72,706)
Gross Profit		63,600	55,772
Distribution costs		(31,577)	(27,776)
Administrative expenses		(25,415)	(22,212)
Profit before cost of New Store Openings		6,608	5,784
New store pre-trading costs		(433)	(192)
Operating Profit		6,175	5,592
Profits and losses on disposal of fixed assets and leasehold interests	3	(1,391)	(119)
Profit Before Interest and Tax	4	4,784	5,473
Interest receivable	7	281	143
Interest payable	8	(3)	(44)
Profit on Ordinary Activities Before Tax		5,062	5,572
Tax on profit on ordinary activities	9	(896)	(1,305)
Profit for the Financial Year		4,166	4,267
Ordinary dividends on equity shares to parent company	10	(10,922)	-
Preference dividends on non-equity shares to parent company	10	(222)	(222)
(Loss) / Profit Retained for the Financial Year	17	(6,978)	4,045

STATEMENT OF RECOGNISED GAINS AND LOSSES

For the 53 weeks ended 3 April 2005 there are no recognised gains and losses other than the profit of £4,166,000 (2004: profit of £4,267,000).

Balance Sheet

At 3 April 2005

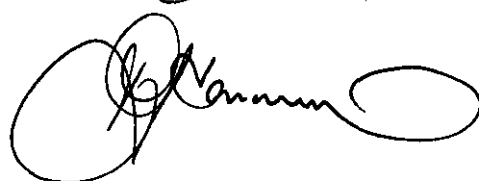
		3 April 2005	28 March 2004
	Note	£'000	£'000
Fixed Assets			
Tangible assets	11	21,959	23,525
Current Assets			
Stocks	12	8,998	9,198
Debtors	13	7,913	7,270
Cash at bank and in hand	18(c)	6,613	6,848
		<u>23,524</u>	<u>23,316</u>
Creditors: amounts falling due within one year	14	(31,887)	(26,346)
Net Current Liabilities		<u>(8,363)</u>	<u>(3,030)</u>
Total Assets Less Current Liabilities		<u>13,596</u>	<u>20,495</u>
Provisions for Liabilities and Charges			
Deferred tax	15	(3,823)	(3,744)
		<u>9,773</u>	<u>16,751</u>
Capital and Reserves			
Called up share capital (including non-equity capital)	16	3,800	3,800
Share premium account	17	274	274
Profit and loss account	17	5,699	12,677
Shareholders' Funds (including non-equity interest)	17	<u>9,773</u>	<u>16,751</u>

Approved by the Board on 14 December 2005

Director



Director



Statement of Cash Flows

For the 53 weeks ended 3 April 2005

		53 weeks to 3 April 2005 £'000	52 weeks to 28 March 2004 £'000
	Note		
Net Cash Inflow from Continuing Operating Activities	18(a)	14,196	4,104
Returns on Investments and Servicing of Finance	18(b)	(10,866)	(123)
Taxation	18(b)	(1,228)	(974)
Capital Expenditure and Financial Investment	18(b)	(2,337)	(3,132)
Decrease in Cash		<u>(235)</u>	<u>(125)</u>

Reconciliation of Net Cash Flow to Movement in Net Cash

		53 weeks to 3 April 2005 £'000	52 weeks to 28 March 2004 £'000
	Note		
Decrease in cash		(235)	(125)
Movement in Net Cash		<u>(235)</u>	<u>(125)</u>
Net Cash at beginning of financial year	18(c)	6,848	6,973
Net Cash at end of financial year	18(c)	<u>6,613</u>	<u>6,848</u>

Notes to the Financial Statements

For the 53 weeks ended 3 April 2005

1. Accounting Policies

Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The accounting policies used in preparing the financial statements are consistent with those of the previous year.

Fixed assets

All fixed assets are initially recorded at cost. The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Short leasehold property	-	over the lease term
Fixtures, fittings and equipment	-	over 4-10 years
Motor vehicles	-	over 3-5 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided on all timing differences, arising from the different treatment for financial statements and taxation purposes of transactions and events recognised in the financial statements of the current and previous years. Deferred taxation is measured on an undiscounted basis at rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted at the balance sheet date. Deferred taxation assets are only recognised to the extent that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Pension costs

The Company operates a defined contribution pension scheme for eligible employees. Eligibility is defined by length of service. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

New stores pre-trading costs

The costs associated with the pre-trading period of new stores are written off in the year in which they are incurred.

Rent free periods and reverse premiums

During the course of opening new stores, operating leases are negotiated which may include rent-free periods and/or reverse premiums. Rent free periods and net reverse premiums are amortised from the date of trading on a straight-line basis over the period to the next open market rent review.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Notes to the Financial Statements

For the 53 weeks ended 3 April 2005

1. Accounting Policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account.

2. Turnover

Turnover, which is stated net of value added tax, represents the value of goods delivered and invoiced to customers. Turnover relates to one continuing activity, the retailing of household furniture within the United Kingdom.

3. Profits and Losses on Disposal of Fixed Assets and Leasehold Interests

	<i>53 weeks to 3 April 2005 £'000</i>	<i>52 weeks to 28 March 2004 £'000</i>
Proceeds on disposal of leasehold interests	800	460
Loss on disposal of fixed assets	(461)	(513)
Provision for loss on disposal of fixed assets	(1,695)	-
Other costs relating to disposals	(35)	(66)
	<u>(1,391)</u>	<u>(119)</u>

The effect on the taxation charge for the year of the exceptional items recognised below operating profit is disclosed in note 9.

4. Profit Before Interest and Tax

	<i>53 weeks to 3 April 2005 £'000</i>	<i>52 weeks to 28 March 2004 £'000</i>
This is stated after charging:		
Auditors' remuneration		
- as auditors	48	33
- as advisors	69	42
Depreciation of owned assets	2,512	2,477
Operating lease rentals - property	12,344	10,939
- other	588	383
	<u>15,561</u>	<u>13,974</u>

Notes to the Financial Statements

For the 53 weeks ended 3 April 2005

5. Directors' Emoluments

	<i>53 weeks to 3 April 2005 £'000</i>	<i>52 weeks to 28 March 2004 £'000</i>
Emoluments	867	692
Company contributions paid to money purchase pension schemes	12	9
	<i>2005 No.</i>	<i>2004 No.</i>
Members of money purchase pension scheme	3	3

The amounts in respect of the highest paid Director were emoluments of £248,000 (2004: £231,000) and Company contributions paid to pension schemes of £4,000 (2004: £4,000). Directors' emoluments include bonuses relating to the period in which they accrue, although these may be paid after the year end. Additional directors were employed for parts of the year when compared to the prior year.

6. Staff Costs

	<i>53 weeks to 3 April 2005 £'000</i>	<i>52 weeks to 28 March 2004 £'000</i>
Wages and salaries	17,366	14,786
Social security costs	1,912	1,621
Pension costs	384	304
	19,662	16,711

The average monthly number of employees during the period was as follows:

	<i>53 weeks to 3 April 2005 No.</i>	<i>52 weeks to 28 March 2004 No.</i>
Office and management	73	69
Retailing and distribution	493	440
	566	509

7. Interest Receivable

	<i>53 weeks to 3 April 2005 £'000</i>	<i>52 weeks to 28 March 2004 £'000</i>
Bank interest	216	143
Other interest	65	-
	281	143

Notes to the Financial Statements

For the 53 weeks ended 3 April 2005

8. Interest Payable

	53 weeks to 3 April 2005 £'000	52 weeks to 28 March 2004 £'000
Bank loan and overdrafts	-	12
Other interest	3	32
	<u>3</u>	<u>44</u>

9. Tax on Profit on Ordinary Activities

	53 weeks to 3 April 2005 £'000	52 weeks to 28 March 2004 £'000
UK Corporation Tax		
Tax on profits in the period	913	1,097
Tax (over) / under provided in previous years	(96)	54
Total current tax	<u>817</u>	<u>1,151</u>
Deferred Tax		
Originated and reversal of timing differences (note 15)	79	154
	<u>896</u>	<u>1,305</u>

The tax effect in the profit and loss account relating to exceptional items recognised below operating profit is a debit of £227,000 (2004: debit of £49,000).

Factors Affecting the Tax Charge for the Period

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	53 weeks to 3 April 2005 £'000	52 weeks to 28 March 2004 £'000
Profit on ordinary activities	<u>5,062</u>	<u>5,572</u>
Expected tax charge on profit on ordinary activities calculated At the standard rate of tax in the UK of 30% (2004: 30%)	1,519	1,671
Effect of:		
Disallowed expenses and non-taxable income	563	464
Depreciation in excess of capital allowances / (Capital allowances in excess of depreciation)	72	(261)
Short term timing differences	(63)	65
Tax (over) / under provided in previous years	(96)	54
Accounting profit on chargeable assets	454	118
Capital gains	(227)	(69)
Group relief	(1,405)	(891)
Current tax charge for the period	<u>817</u>	<u>1,151</u>

Notes to the Financial Statements

For the 53 weeks ended 3 April 2005

10. Dividends

	53 weeks to 3 April 2005 £'000	52 weeks to 28 March 2004 £'000
Dividends paid on ordinary shares to parent company	10,922	-
Dividends paid on non-equity preference shares to parent company	222	222
	<u>11,144</u>	<u>222</u>

Ordinary dividends are paid solely to the parent company Furniture Village Group Limited, which holds 100% of the ordinary share capital of Furniture Village Limited.

Preference dividends are paid solely to the parent company Furniture Village Group Limited, which holds 100% of the ordinary share capital of Furniture Village Limited.

11. Tangible Fixed Assets

	Short leasehold property £'000	Fixtures fittings equipment & vehicles £'000	Total £'000
Cost:			
At 29 March 2004	26,202	6,916	33,118
Additions	2,276	826	3,102
Disposals	(794)	(283)	(1,077)
At 3 April 2005	<u>27,684</u>	<u>7,459</u>	<u>35,143</u>
Depreciation:			
At 29 March 2004	6,090	3,503	9,593
Provided during the year	1,773	739	2,512
Provision for loss on disposal of fixed assets	1,471	224	1,695
Disposals	(396)	(220)	(616)
At 3 April 2005	<u>8,938</u>	<u>4,246</u>	<u>13,184</u>
Net Book Value:			
At 3 April 2005	<u>18,746</u>	<u>3,213</u>	<u>21,959</u>
At 29 March 2004	<u>20,112</u>	<u>3,413</u>	<u>23,525</u>

12. Stocks

	3 April 2005 £'000	28 March 2004 £'000
Goods for resale	<u>8,998</u>	<u>9,198</u>

Notes to the Financial Statements

For the 53 weeks ended 3 April 2005

13. Debtors

	<i>3 April 2005 £'000</i>	<i>28 March 2004 £'000</i>
Trade debtors	1,532	1,252
Other debtors	1,917	2,061
Prepayments and accrued income	4,464	3,957
	<u>7,913</u>	<u>7,270</u>

14. Creditors: amounts falling due within one year

	<i>3 April 2005 £'000</i>	<i>28 March 2004 £'000</i>
Deposits on goods not yet delivered	6,361	6,205
Trade creditors	10,464	10,829
Corporation tax	236	647
Other taxes and social security costs	2,532	2,539
Other creditors and accruals	7,684	5,970
Owed to parent company	4,610	156
	<u>31,887</u>	<u>26,346</u>

15. Provisions for Liabilities and Charges

Provision for deferred tax:

	<i>£'000</i>
At 29 March 2004	3,744
Provided during the current year	218
Prior period overprovision	(139)
At 3 April 2005	<u>3,823</u>

The deferred tax consists of:

	<i>3 April 2005 £'000</i>	<i>28 March 2004 £'000</i>
Accelerated capital allowances	1,302	1,514
Other timing differences	(10)	(74)
Capital gains	2,531	2,304
Total deferred tax liability	<u>3,823</u>	<u>3,744</u>

Notes to the Financial Statements

For the 53 weeks ended 3 April 2005

16. Share Capital

	<i>3 April 2005 £'000</i>	<i>28 March 2004 £'000</i>
Authorised:		
Equity interest		
“A” Ordinary shares of £1 each		
Number of shares – 150,000 (2004 – 150,000)	150	150
“B” Ordinary shares of £1 each		
Number of shares – 550,000 (2004 – 550,000)	550	550
	<u>700</u>	<u>700</u>
Non-equity interest		
Cumulative preference shares of £1 (on which a total dividend of £96,000 is payable)		
Number of shares – 1,400,000 (2004 – 1,400,000)	1,400	1,400
7.2% Cumulative redeemable preference shares of £1 each		
Number of shares – 3,000,000 (2004 – 3,000,000)	3,000	3,000
	<u>5,100</u>	<u>5,100</u>
Allotted, called up and fully paid:		
Equity interest		
“A” Ordinary shares of £1 each		
Number of shares – 150,000 (2004 – 150,000)	150	150
“B” Ordinary shares of £1 each		
Number of shares – 500,340 (2004 – 500,340)	500	500
	<u>650</u>	<u>650</u>
Non-equity interest		
Cumulative preference of shares of £1 (on which a total dividend of £96,000 is payable)		
Number of shares – 1,400,000 (2004 – 1,400,000)	1,400	1,400
7.2% Cumulative redeemable preference shares of £1 each		
Number of shares – 1,750,000 (2004 – 1,750,000)	1,750	1,750
	<u>3,800</u>	<u>3,800</u>

All of the ordinary shares rank *pari passu*. The cumulative redeemable preference shares were due to be redeemed by 31 December 2003. However, the parent company has exercised the right to roll this redemption date forward and has not specified a future redemption date. Dividends on preference shares are payable quarterly in arrears to the parent company.

Notes to the Financial Statements

For the 53 weeks ended 3 April 2005

17. Reconciliation of Shareholders Funds and Movements on Reserves

	<i>Share capital</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 31 March 2003	3,800	274	8,632	12,706
Retained profit for the year	-	-	4,267	4,267
Preference dividends paid to parent company	-	-	(222)	(222)
At 29 March 2004	3,800	274	12,677	16,751
Retained profit for the year	-	-	4,166	4,166
Ordinary dividends paid to parent company	-	-	(10,922)	(10,922)
Preference dividends paid to parent company	-	-	(222)	(222)
At 3 April 2005	3,800	274	5,699	9,773

The non-equity interests included above amount to £3,150,000 (2004: £3,150,000).

Notes to the Financial Statements

For the 53 weeks ended 3 April 2005

18. Notes to the Statement of Cash Flows

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

	53 weeks to 3 April 2005 £'000	52 weeks to 28 March 2004 £'000
Operating profit	6,175	5,592
Depreciation	2,512	2,477
Decrease / (Increase) in stocks	200	(57)
(Increase) / Decrease in debtors	(643)	184
Increase / (Decrease) in creditors	5,952	(4,092)
Net cash inflow from operating activities	14,196	4,104

(b) Analysis of cash flows for heading netted in the statement of cash flows

	53 weeks to 3 April 2005 £'000	52 weeks to 28 March 2004 £'000
Returns on investments and servicing of finance:		
Interest received	281	143
Interest paid	(3)	(44)
Ordinary dividend paid to parent company	(10,922)	-
Preference dividend paid to parent company	(222)	(222)
	(10,866)	(123)
Taxation:		
Corporation Tax paid	(1,228)	(974)
Capital expenditure and financial investment:		
Proceeds from disposal of leasehold interests	800	460
Proceeds from disposal of other assets	-	6
Payments relating to disposal of leasehold interests	(35)	(66)
Payments to acquire tangible fixed assets	(3,102)	(4,207)
Receipt of contribution towards capital expenditure	-	675
	(2,337)	(3,132)

(c) Analysis of changes in net cash

	At 28 March 2004 £'000	Cash flow £'000	At 3 April 2005 £'000
Cash at bank and in hand	6,848	(235)	6,613
	6,848	(235)	6,613

Cash flows relating to non-operating exceptionals

Capital expenditure and financial investment cash flows include £800,000 (2004: £460,000) from the disposal of leasehold interests and £nil (2004: £6,000) from the disposal of fixed assets.

Notes to the Financial Statements

For the 53 weeks ended 3 April 2005

19. Capital Commitments

Due to the timing of new store and refurbishment commitments, future capital expenditure not otherwise included in these financial statements is as follows:

	3 April 2005 £'000	28 March 2004 £'000
Authorised by the Directors and contracted for	-	110
Authorised by the Directors but not yet contracted for	20	1,012
	<u>20</u>	<u>1,122</u>

20. Other Financial Commitments

In respect of leases the following annual commitments existed at 3 April 2005 in respect of non-cancellable operating leases:

	Land and buildings 3 April 2005 £'000	Land and buildings 28 March 2004 £'000	Other 3 April 2005 £'000	Other 28 March 2004 £'000
Operating leases which expire:				
Within one year	-	-	67	123
In two to five years	-	-	731	154
In over five years	13,056	11,430	21	-
	<u>13,056</u>	<u>11,430</u>	<u>819</u>	<u>277</u>

21. Related Parties

As part of their employment the Directors and employees can purchase goods from the Company at a discount. The amount of goods purchased by the Directors is not considered to be material either to the Company or to the individuals. The discounts for the Directors are on the same terms as those of all other employees. The Company has taken advantage of the exemption allowed under FRS 8: Related party disclosures, from disclosing transactions with related parties that are part of the Furniture Village Group, as the Company is a 100% subsidiary of a Group whose financial statements are publicly available.

22. Pension Arrangements

The company operated a defined contribution pension scheme for eligible employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Prepaid contributions at the year end amounted to £28,000 (2004: £10,000).

23. Parent Undertaking and Controlling Party

In the Directors' opinion, the Company's ultimate parent undertaking and controlling party is Furniture Village Group Limited, registered in England and Wales. Group financial statements are prepared by Furniture Village Group Limited and are available from the registered office at 258 Bath Road, Slough, SL1 4DX.