

The Insolvency Act 1986

Notice of statement of affairs

2.16B

Name of Company MFI Group Limited	Company number 05789188
In the High Court of Justice, Chancery Division, Companies Court, London  (full name of court)	For court use only  10575 of 2008

(a) Insert full name(s) and address(es) of administrator(s)

We (a) Philip Francis Duffy, Geoffrey Wayne Bouchier and Paul John Clark  
MCR  
43-45 Portman Square  
London  
W1H 6LY

attach a copy of:-

\*delete as applicable

- \* the statement(s) of affairs;
- \* the statement(s) of concurrence;
- \* a copy of the court order limiting disclosure in respect of the statement of affairs

in respect of the administration of the above Company.

Signed

Joint Administrators

Dated

24/3/2009.

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searches of the public record

MCR  
43-45 Portman Square  
London  
W1H 6LY

Tel: 020 7487 7240

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

The directors submitted their Statement of Affairs on 27 February 2009 and the statement of concurrence was received on 9 March 2009. These documents have been filed at Companies House accordingly.

The Joint Administrators make the following comments in respect of the directors Statement of Affairs:

- This document is prepared by the directors and is representative of their opinion of the Company's position at the date of appointment, being 26 November 2008;
- Whilst the directors have sought various assistance from third parties in preparing the Statement of Affairs, there is no liability attached to any of the third parties in providing such assistance or information;
- Various working documents supporting the Statement of Affairs are enclosed in the filing at Companies House and reference made to the source. As mentioned above, no liability is attached to the third parties whatsoever;
- The difference between the book value and the estimated realisable value for the tangible assets is due to the leases in the various properties not being assigned to the Company at appointment – they remained as an asset of MFI Retail Limited
- The director's estimation for stock realisations appears reasonable. However, following the sale of stock in stores and the transaction for the surplus stock, total realisations are in the order of £13.4m;
- The director's estimation of the trade creditors appears reasonable but does vary from the Joint Administrators proposals.

**Statement of affairs**

Name of company MFI Group Limited	Company number 05789188
In the High Court of Justice Chancery Division Companies Court London  (full name of court)	Court Case Number 10575 of 2008

(a) Insert name and address of registered office of the company  
 Statement as to the affairs of (a) MFI Group Limited, 11 St James Square, Manchester, M2 6DN, ("the company")

(b) Insert date  
 On the (b) 26 November 2008, the date that the company entered Administration.

**Statement of Truth**

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 26 November 2008, the date that the company entered into Administration.

Full name Christopher John PAVLOSKY

Signed C.J.P.

Dated 23/2/09

### Statement of concurrence

Name of Company MFI Group Limited	Company number 05789188
In the High Court of Justice (full name of court)	For court use only 10575 of 2008

(a) Insert name and address of registered office of the company to which statement of affairs relates

With regards the Statement of Affairs of (a) MFI Group Limited , 11 St James Square, Manchester, M2 6DN, ("the company")

(b) Insert date statement of truth on the statement of affairs was made

Made on (b) 19th Feb 2009

(c) Insert full name of person who made the statement of truth on the statement of affairs being concurred with

By (c) CHRIS PAULOSKY

#### Statement of Truth

(d) Insert full name and address of person making statement

I: (d) GARY ALAN FAVEL

\*Delete as applicable

\* concur with the Statement of Affairs of the above company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

**OR**

\*concur with the Statement of Affairs of the above company, subject to the following qualifications

(e) Please list matters in the statement of affairs which you are not in agreement with, or which you consider to be erroneous or misleading, or matters to which you have no direct knowledge and indicate reason for listing them

(e) N.A

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

Full name GARY ALAN FAVEL

Signed [Signature]

Dated 2.3.09

**Statement of Affairs - MFI Group Limited**

<u>Assets</u>	Note	Retail Book Value £ '000	Estimated to Realise £'000	<b>GROUP</b> £'000
<b>Assets subject to Fixed Charge</b>		-	-	
<b>Assets subject to Floating Charge</b>				
Tangible assets	1	36,246	450	
Investments in Subsidiaries		0	-	
Intangible assets	2	4,000	uncertain	
Stock	3	37,819	7,700	
Blackhorse Finance Debtor		5,044	3,500	
Other Trade Debtors		719	600	
Other Debtors and Prepayments	4	5,423	-	
Cash		422	422	
		<u>89,672</u>	<u>12,672</u>	
<b>Uncharged Assets</b>		-	-	
<b>Estimated total assets available to Preferential Creditors</b>			<u>12,672</u>	
<b>Liabilities</b>				
<b>Preferential Creditors</b>				
Employees			1,800	
<b>Estimated surplus as regards Preferential Creditors</b>			<u>10,872</u>	
<b>Estimated prescribed part of net property where applicable (to carry forward)</b>			600	
<b>Estimated total assets available for Floating Charge holders</b>			<u>10,272</u>	
<b>Floating Charge creditors</b>		<u>(46,645)</u>		
<b>Estimated deficiency of assets after Floating Charges</b>			<u>(36,373)</u>	
<b>Unsecured non-preferential claims (excluding any shortfall to Floating Charge holders)</b>				
Trade Creditors		(15,758)	(15,758)	
Accruals		(6,333)	(6,333)	
Deferred Income		(2,684)	(2,684)	
Taxation (incl VAT and PAYE etc)		(3,021)	(3,021)	
		<u>(27,796)</u>	<u>(27,796)</u>	
<b>Net Book Value</b>		<u>15,231</u>		
<b>Estimated total shortfall</b>			<u>(64,169)</u>	

**Notes**

1. Tangible assets consist of fitting costs of display stock in stores, IT equipment and fixtures and fittings within the stores
2. Intangible assets consist of Intellectual Property, trade and brand names including MFI, Hygena, Schreiber and Kuchen Lab, copyrights and website address. At present discussions continue to sell these assets therefore the realisation amount is uncertain
3. The display stock net realisation included as part of the stock realisation amount above is after deducting the property and payroll costs for the period the stores remained open to realise the display stock.
4. The majority of Other Debtors and Prepayments consists of the long term benefit of reduced rental contained in the warehouse property lease.

Signature

*CJP 052871*

Date

*17/2/2009*