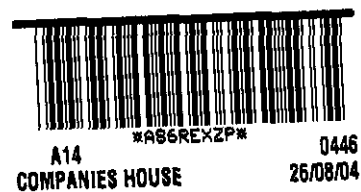


Wickes Limited

Directors' report and financial statements

26 October 2003

Registered number 2070200



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Directors' report

The directors present their annual report and the audited financial statements for the period ended 26 October 2003.

Principal activity

The principal activity of the Company is that of an intermediate holding Company.

Business review

The results for the period are shown on page 4.

Directors and directors' interests

The directors who held office during the period were as follows:

WE Archer
GC Wilson
RS Bird

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the Company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the Company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

The interests of the directors in the shares of Focus Wickes Group Limited, the ultimate holding Company, are disclosed in the financial statements of that Company.

Auditors

In accordance with section 384 of CA85, a resolution for the reappointment of KPMG Audit Plc as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



GC Wilson
Director

Gawsworth House
Westmere Drive
Crewe
Cheshire
CW1 6XB

23 February 2004

Statement of directors' responsibilities

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 for that year. 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Wickes Limited

We have audited the financial statements on pages 4 to 10.

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 auditor's 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

The directors are responsible for preparing the directors' report and as described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, 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.

Basis of audit opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company as at 26 October 2003 and of the loss of the Company for the period then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit plc
Chartered Accountants
Registered Auditor

23rd February 2004

Profit and loss account
for the period ended 26 October 2003

	<i>Note</i>	52 weeks ended 26 October 2003 £000	52 weeks ended 27 October 2002 £000
Other operating income		-	39
Operating profit – continuing operations		-	39
Interest payable and similar charges	5	(6,128)	(4,310)
Loss on ordinary activities before taxation	2-5	(6,128)	(4,271)
Tax on loss on ordinary activities	6	1,849	1,284
Retained loss for the financial period		(4,279)	(2,987)

The Company has no recognised gains or losses during the current and previous periods other than the loss for the periods reported above.

Balance sheet
at 26 October 2003

	<i>Note</i>	26 October 2003		27 October 2002	
		£000	£000	£000	£000
Fixed assets					
Investments	7		99,558		99,558
Current assets					
Debtors	8	118,368		63,081	
Cash at bank and in hand		4		23	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	9	118,372 (82,906)		63,104 (23,359)	
		<hr/>		<hr/>	
Net current assets			35,466		39,745
			<hr/>		<hr/>
Net assets			135,024		139,303
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	10		27,571		27,571
Share premium account	11		103,402		103,402
Special reserve	11		46		46
Capital redemption reserve	11		8,988		8,988
Profit and loss account	11		(4,983)		(704)
			<hr/>		<hr/>
Equity shareholders' funds			135,024		139,303
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 23 February 2004 and were signed on its behalf by:



GC Wilson
Director

Reconciliation of movements in shareholders' funds
for the period ended 26 October 2003

	52 weeks 2003 £000	52 weeks 2002 £000
Loss for the financial period	(4,279)	(2,987)
Reduction in share capital	-	(2,744)
Increase in special reserve	-	2,744
	<hr/>	<hr/>
Net reduction in shareholders' funds	(4,279)	(2,987)
Opening shareholders' funds	139,303	142,290
	<hr/>	<hr/>
Closing shareholders' funds	135,024	139,303
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

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

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

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

As the Company is a wholly owned subsidiary of Focus Wickes Group Limited the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Focus Wickes Group Limited, within which this Company is included, can be obtained from the address given in note 13.

Taxation

The credit for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with FRS 19, which was adopted in the previous period, deferred tax has been provided for in full. No discounting has been applied to the deferred tax provision.

2 Loss on ordinary activities before taxation

There was no audit fees during the period (2002: £nil).

3 Remuneration of directors

None of the directors received any remuneration from Wickes Limited (2002 : £nil)

Notes (continued)

4 Staff numbers and costs

No staff were directly employed by Wickes Ltd

5 Interest payable and similar charges

	52 weeks 2003 £000	52 weeks 2002 £000
On all other loans	6,128	4,310
	<u> </u>	<u> </u>

6 Taxation

(a) Analysis of tax credit for the period

	52 weeks 2003 £000	52 weeks 2002 £000
<i>Current tax</i>		
UK corporation tax on loss for the period	(1,838)	(1,281)
Adjustments in respect of prior period	(11)	(3)
	<u> </u>	<u> </u>
Total current tax (see (b) below)	(1,849)	(1,284)
	<u> </u>	<u> </u>

(b) Factors affecting the tax credit for the period

The tax credit for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	52 weeks 2003 £000	52 weeks 2002 £000
Loss on ordinary activities before taxation	(6,128)	(4,271)
	<u> </u>	<u> </u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	(1,838)	(1,281)
	<u> </u>	<u> </u>
<i>Effects of:</i>		
Adjustment to tax credit in respect of prior periods	(11)	(3)
	<u> </u>	<u> </u>
Current tax credit for period (see (a) above)	(1,849)	(1,284)
	<u> </u>	<u> </u>

Notes (continued)

6 Taxation (Continued)

(c) Factors that may affect future tax charges

The Company has surplus management expenses of £520,277 which may be available to reduce tax payments in the future.

The Company also has capital losses of £72,299,806 (subject to agreement by the Inland Revenue) which may be available to offset against certain capital gains in the future, which would also reduce tax payments.

7 Fixed asset investments

	Shares in subsidiary undertakings £000
<i>Cost and net book value</i>	
At beginning and end of period	99,558

The principal undertakings (excluding dormant companies) in which the Company's interest at the period end is more than 20% are as follows:

Subsidiary undertaking	Country of incorporation	Principal activity	Class and percentage of shares held
Hunter Estates Limited	UK	Property management	100% ordinary
Wickes Holdings Limited	UK	Intermediate holding company	100% ordinary

All companies shown as incorporated in the UK are registered in England and Wales.

8 Debtors

	26 October 2003 £000	27 October 2002 £000
Amounts owed by group undertakings	118,363	63,077
Other debtors	5	4
	<hr/>	<hr/>
	118,368	63,081

Notes (continued)

9 Creditors: amounts falling due within one year

	26 October 2003 £000	27 October 2002 £000
Amounts owed to group undertakings	81,851	22,303
Accruals and deferred income	905	918
Other creditors	150	138
	<u>82,906</u>	<u>23,359</u>

10 Called up share capital

	26 October 2003 £000	27 October 2002 £000
<i>Authorised</i>		
Equity: 118,222,618 (2002: 118,222,618) ordinary shares of 50p each	<u>59,111</u>	<u>59,111</u>
<i>Allotted, called up and fully paid</i>		
Equity: 55,141,880 (2002: 55,141,880) ordinary shares of 50p each	<u>27,571</u>	<u>27,571</u>

11 Share premium and reserves

	Special Reserve £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000
At beginning of period	46	103,402	8,988	(704)
Retained loss for the period	-	-	-	(4,279)
At end of period	<u>46</u>	<u>103,402</u>	<u>8,988</u>	<u>(4,983)</u>

12 Contingent liabilities

The Company has guaranteed certain borrowings of fellow subsidiary undertakings which at 26 October 2003 amounted to £645.1million (2002: £240.5 million).

13 Ultimate holding company

The Company's ultimate holding Company is Focus Wickes Group Limited.

Copies of the Group financial statements can be obtained from:

Companies House
Crown Way
Cardiff
CF4 3UZ