

# Wintercroft Limited

Directors' report and financial statements

29 April 2007

Registered number 03817379

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## Directors' report

The directors present their annual report and the audited financial statements for the 26 week period ended 29 April 2007 (2006 52 week period ended 29 October)

### Principal activity

The Company has not traded in the financial period

### Subsequent events

In January 2007 the Group announced a strategic review of future options for the Group. The Group held discussions with a co-ordination committee of senior lenders and an ad-hoc committee of mezzanine note holders, as well as its shareholders, about the requirement to restructure its debt and equity. The strategic review included the potential sale of the business and had the full support of all the stakeholders.

As a result of the strategic review, FW No 4 Limited and all of its subsidiaries were disposed of as a going concern. The acquirer, FLP2 Limited, a company affiliated with Cerberus European Investments LLC purchased FW No 4 Limited for £1. The acquiring Group also purchased the senior debt at par and made an offer of 40p per £1 nominal value for the mezzanine notes which was accepted by 92.04% of the mezzanine note holders.

Post the sale, FLP 2 Limited has a £100 million senior debt facility and a £60 million second lien facility, fully drawn. The senior debt, on which interest is payable in cash, is split into 2 tranches of £50 million with bullet repayment of the first tranche due after 6 years and the second after 7 years. The second lien is also a bullet repayment due after 8 years and carries PIK interest payable on maturity.

As part of the acquisition of FW No 4 Limited the Group's new management engaged Hilco to support the Group's repositioning and sales of 52 under performing stores. Pursuant to contracts exchanged on the 11 October 2007 a further 24 stores have been sold and a further 3 stores are expected to be sold within the next 12 months.

### Directors

The directors who held office during the period were as follows

WE Archer	(resigned 26 July 2007)
GC Wilson	(resigned 26 July 2007)
SR Johnson	(resigned 26 July 2007)
DR Williams	(resigned 26 July 2007)

The following directors were appointed after the balance sheet date

W Grimsey	(appointed 26 July 2007)
WJ Hoskins	(appointed 26 July 2007)
R Bird	(appointed 12 November 2007)
S Thomas	(appointed 19 November 2007)
G West	(appointed 15 January 2008)

### Auditors

The company was dormant within the meaning of section 249 AA of the Companies Act 1985 throughout the period to 29 April 2007 and accordingly its accounts have not been audited.

By order of the board

  
WJ Hoskins  
Finance Director

Gawsworth House  
Westmere Drive  
Crewe  
Cheshire  
CW1 6XB

28 FEBRUARY 2008.

## Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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

**Balance sheet**  
*at 29 April 2007*

	<i>Notes</i>	29 April 2007 £000	29 October 2006 £000
<b>Current assets</b>			
Debtors	3	38,578	38,578
<b>Net assets</b>		<u>38 578</u>	<u>38,578</u>
<b>Capital and reserves</b>			
Called up share capital	4	1	1
Profit and loss account	5	38,577	38,577
<b>Shareholders' funds</b>		<u>38,578</u>	<u>38,578</u>

The Company has remained dormant throughout the financial period, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss

- (a) For the period ended 29 April 2007 the Company was entitled to exemption under section 249 AA (1) of the Companies Act 1985
- (b) Members have not required the company to obtain an audit in accordance with section 249B (2) of the Companies Act 1985
- (c) The directors acknowledge their responsibility for
  - ensuring the Company keeps accounting records which comply with section 221, and
  - preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial period, and of its profit and loss for the financial period, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to account so far as applicable to the Company

These financial statements were approved by the board of directors on 28 February 2008 and were signed on its behalf by

*WJ Hoskins*  
WJ Hoskins  
Finance Director

## 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, modified to include the revaluation of certain assets

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 FRS 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 was a wholly owned subsidiary of FW No 4 Limited at the balance sheet date, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group. The consolidated financial statements of FW No 4 Limited, within which this Company is included, can be obtained from the address in note 7.

### 2 Profit and Loss Account

The Company has not traded during the period or prior period and accordingly no profit and loss account has been prepared.

The Company has 4 employees (2006: 4) and the directors did not receive any remuneration in respect of their services to the Company (2006: £nil).

### 3 Debtors

	2007 £000	2006 £000
Amounts due from Group undertakings	38,578	38,578

### 4 Called up share capital

	2007 £000	2006 £000
<i>Authorised</i>		
Equity: 1,000 ordinary shares of £1 each	1	1
<i>Allotted, called up and fully paid</i>		
Equity: 1,000 ordinary shares of £1 each	1	1

## Notes (continued)

### 5 Reserves

Profit and  
 loss account  
 £000

At beginning and end of period	38,577
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### 6 Post balance sheet events

In January 2007 the Group announced a strategic review of future options for the Group. The Group held discussions with a co-ordination committee of senior lenders and an ad-hoc committee of mezzanine note holders, as well as its shareholders, about the requirement to restructure its debt and equity. The strategic review included the potential sale of the business and had the full support of all the stakeholders.

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### 7 Ultimate parent company

At the period end the Company was a subsidiary undertaking of Focus DIY Group Limited which was the ultimate parent Company incorporated in the UK.

However, following the disposal of FW No 4 Limited and its subsidiaries, Focus DIY Group Limited was liquidated. Consequently the consolidated financial statements of the Group for the period ended 29 April 2007 have been prepared at the level of FW No 4 Limited.

Copies of the group financial statements can be obtained from

Companies House  
 Crown Way  
 Cardiff  
 CF4 3UZ