

Wintercroft Limited

Directors' report and financial statements

26 October 2003

Registered number 03817379



Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of Wintercroft Limited	3
Profit and loss account	4
Balance sheet	5
Note of company historical cost profits and losses	6
Reconciliation of movements in shareholders' funds	6
Notes	7

Directors' report

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

Principal activity

The Company has not traded in the financial year.

Directors and directors' interests

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

WE Archer
GC Wilson

None of the directors who held office at the end of the financial period had any disclosable interests 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 Ltd, the ultimate holding Company, are disclosed in the financial statements of that Company.

Auditors

In accordance with Section 384 of the Companies Act 1985, 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 Wintercroft 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 director's 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 result of the Company for the year 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

		52 weeks ended 26 October 2003 £000	52 weeks ended 27 October 2002 £000
	<i>Note</i>		
Administrative expenses		-	(3)
Operating loss – continuing operations		-	(3)
Profit on disposal of fixed asset investments	7	-	37,751
Interest payable and similar charges	5	-	(8,438)
Profit on ordinary activities before taxation	2-5	-	29,310
Tax on profit on ordinary activities	6	-	2,532
Retained profit for the financial period		-	31,842

The Company has no recognised gains on losses during the current and prior periods other than the results for the periods reported above.

Balance sheet
at 26 October 2003

	<i>Notes</i>	26 October 2003 £000	27 October 2002 £000
Current assets			
Debtors	7	38,578	38,578
Total assets less current liabilities		38,578	38,578
Net assets		38,578	38,578
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	38,577	38,577
Equity shareholders' funds		38,578	38,578

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



GC Wilson
Director

Note of historical cost profits and losses
for the year ended 26 October 2003

	52 weeks 2003 £000	52 weeks 2002 £000
Reported profit on ordinary activities before taxation	-	29,310
Realisation of fixed asset investment gains of prior periods	-	13,345
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	-	42,655
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Historical cost profit for the year retained after taxation and dividends	-	45,187
	<hr/>	<hr/>

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

	52 weeks 2003 £000	52 weeks 2002 £000
Profit for the financial year	-	31,842
Opening shareholders' funds	38,578	6,736
	<hr/>	<hr/>
Closing shareholders' funds	38,578	38,578
	<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, 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 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 Ltd, 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. The consolidated financial statements of Focus Wickes Group Ltd, within which this Company is included, can be obtained from the address in note 11.

Investments

Investments are stated at valuation less full provision for any impairment in value.

Taxation

The charge for taxation is based on the profit 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, deferred tax has been provided for in full. No discounting has been applied to the deferred tax provision.

2 Profit/(loss) on ordinary activities before taxation

	52 weeks 2003 £000	52 weeks 2002 £000
<i>Profit/(loss) on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration – audit	-	3
	<hr/>	<hr/>

Notes *(continued)*

3 Remuneration of directors

There were no director remuneration costs during the period (2002: £nil).

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	52 weeks 2003	52 weeks 2002
Administration	2	2
	<u>2</u>	<u>2</u>

5 Interest payable and similar charges

	52 weeks 2003 £000	52 weeks 2002 £000
Payable to group undertakings	-	8,438
	<u>-</u>	<u>8,438</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 profits for the period (see (b) below)	-	(2,532)
	<u>-</u>	<u>(2,532)</u>

Notes (continued)

6 Taxation (continued)

(b) Factors affecting tax charge for the period

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

	52 weeks 2003 £000	52 weeks 2002 £000
Profit on ordinary activities before taxation	-	29,310
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	-	8,793
<i>Effects of:</i>		
Non taxable gains	-	(11,325)
Current tax credit for period (see (a) above)	-	(2,532)

(c) Factors that may affect future tax charges

The Company has non-trading tax losses of £479,577 and surplus management expenses of £31,634 which may be available to reduce tax payments in the future.

7 Debtors

	26 October 2003 £000	27 October 2002 £000
Amounts due from group undertakings	38,578	38,578

8 Called up share capital

	26 October 2003 £000	27 October 2002 £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)

9 Reserves

**Profit and
loss account
£000**

At beginning and end of year

38,577

10 Ultimate parent company

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

Copies of the group financial statements can be obtained from:

Companies House
Crown Way
Cardiff
CF4 3UZ