

IVYBRIDGE BUILDING SUPPLIES LIMITED

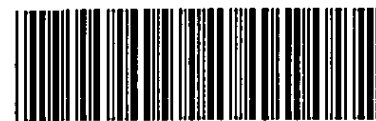
REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE PERIOD

1 OCTOBER 2005 TO 31 JULY 2006

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IVYBRIDGE BUILDING SUPPLIES LIMITED

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IVYBRIDGE BUILDING SUPPLIES LIMITED
COMPANY INFORMATION
FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006

DIRECTORS: MJ Neville
S Ashmore

SECRETARY: G Middlemiss

REGISTERED OFFICE: The Wolseley Center
Harrison Way
Leamington Spa
CV31 3HH

REGISTERED NUMBER: 4024053 (England and Wales)

AUDITORS: PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

IVYBRIDGE BUILDING SUPPLIES LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006

The directors present their report with the financial statements of the company for the period 1 October 2005 to 31 July 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of a builders merchant

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements

On 31 May 2006 the entire issued share capital of the company was acquired by Wolseley UK Limited. The trade and net assets were hived up on 31 July 2006 as shown in note 3 on page 9

There are no particular risks and uncertainties facing the company at this point in time.

In the opinion of the directors there are no key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business

DIVIDENDS

Interim dividends were paid as follows

£15,000	- 18 October 2005
<u>£20,000</u>	- 22 December 2005
<u>£35,000</u>	

The directors recommend that no final dividend be paid

The total distribution of dividends for the period ended 31 July 2006 will be £35,000

DIRECTORS

The directors during the period under review were

L Scott	- resigned 31 May 2006
Mrs S Scott	- resigned 31 May 2006
MJ Neville	- appointed 31 May 2006
S Ashmore	- appointed 30 March 2007

The directors holding office at 31 July 2006 do not hold any beneficial interest in the issued share capital of the company at date of appointment or 31 July 2006

IVYBRIDGE BUILDING SUPPLIES LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

During the period, the directors appointed PricewaterhouseCoopers LLP as auditors.

ON BEHALF OF THE BOARD:



M J Neville- Director

Date 30 May 2007

IVYBRIDGE BUILDING SUPPLIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IVYBRIDGE BUILDING SUPPLIES LIMITED

We have audited the financial statements of Ivybridge Building Supplies Limited for the 10 month period ended 31 July 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we 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 other transactions 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 Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. 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 judgments 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 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. However the evidence available to us was limited because we were not appointed auditors of the company until after the prior period end and in consequence did not report on the financial statements for the year ended 30 September 2005. There were no satisfactory audit procedures that we could adopt to confirm the amount of stocks included in the preceding period's financial statements at a value of £77,367. Any adjustment to this figure would affect the profit for the 10 month period ended 31 July 2006.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

IVYBRIDGE BUILDING SUPPLIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IVYBRIDGE BUILDING SUPPLIES LIMITED

QUALIFIED OPINION ARISING FROM LIMITATION ON AUDIT SCOPE

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 July 2006 and except for any adjustments that we might have found to be necessary had we been able to satisfy ourselves as to the matter referred to above, of its profit for the 10 month period then ended and have been properly prepared in accordance with the Companies Act 1985

In respect alone of the limitation on our work relating to stocks at 30 September 2005

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit
- we were unable to determine whether proper accounting records had been kept

In our opinion the information given in the directors' report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

Date 30 MAY 2007

IVYBRIDGE BUILDING SUPPLIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006

	Notes	10 month period ended 31 July 2006 £	Year ended 30 Sept 2005 £
TURNOVER		1,672,235	2,043,460
Cost of sales		<u>(1,189,872)</u>	<u>(1,500,892)</u>
GROSS PROFIT		482,363	542,568
Distribution costs		(227,448)	(242,561)
Administrative expenses		<u>(193,146)</u>	<u>(227,436)</u>
OPERATING PROFIT	4	61,769	72,571
Profit on sale of trade and assets	3	<u>660,209</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		721,978	72,571
Interest receivable and similar income		-	143
Interest payable and similar charges	5	<u>(13,261)</u>	<u>(16,682)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		708,717	56,032
Tax on profit on ordinary activities	6	<u>(17,411)</u>	<u>(15,512)</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION	18, 21	<u>691,306</u>	<u>40,520</u>

All of the company's activities were discontinued during the current period

The company has no recognised gains or losses other than the profits for the current period or previous year

There is no material difference between the results as described in the profit and loss account and the results on an unmodified historical cost basis

IVYBRIDGE BUILDING SUPPLIES LIMITED

**BALANCE SHEET
AS AT 31 JULY 2006**

	Notes	31 July 2006 £	30 Sept 2005 £
FIXED ASSETS			
Tangible assets	8	-	126,112
CURRENT ASSETS			
Stocks	9	-	77,367
Debtors	10	776,998	335,846
Cash at bank and in hand		-	38,921
		<u>776,998</u>	<u>452,134</u>
CREDITORS			
Amounts falling due within one year	11	-	(405,933)
NET CURRENT ASSETS		<u>776,998</u>	<u>46,201</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>776,998</u>	<u>172,313</u>
CREDITORS			
Amounts falling due after more than one year	12	-	(44,662)
PROVISIONS FOR LIABILITIES	16	-	(6,959)
NET ASSETS		<u>776,998</u>	<u>120,692</u>
CAPITAL AND RESERVES			
Called up share capital	17	100	100
Profit and loss account	18	<u>776,898</u>	<u>120,592</u>
SHAREHOLDERS' FUNDS	21	<u>776,998</u>	<u>120,692</u>

The financial statements on pages 6 to 17 were approved by the directors on **30 MAY 2007** and were signed by



MJ Neville – Director

IVYBRIDGE BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and the Companies Act 1985

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates, in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Leasehold property improvements	life of lease
Fixtures and fittings	15%
Motor vehicles	25%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Full provision is made at current rates for taxation deferred in respect of all material timing differences.

IVYBRIDGE BUILDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006**

2 STAFF COSTS

	31 July 2006	30 Sept 2005
	£	£
Wages and salaries	212,508	238,665
Social security costs	5,633	6,995
Other pension costs	<u>813</u>	<u>1,561</u>
	<u>218,954</u>	<u>247,221</u>

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

	31 July 2006	30 Sept 2005
Directors	2	2
Staff	<u>8</u>	<u>8</u>
	<u>10</u>	<u>10</u>

3 PROFIT ON SALE OF TRADE AND ASSETS

The trade and net assets of the company were hived up on 31 July 2006 to the parent company Wolseley UK Limited for a consideration of £776,998 resulting in a net hive up profit of £660,209

4. OPERATING PROFIT

The operating profit is stated after charging

	31 July 2006	30 Sept 2005
	£	£
Hire of plant and machinery	3,765	5,942
Other operating leases	34,672	58,100
Depreciation - owned assets	43,879	12,681
Depreciation - assets on hire purchase contracts	5,945	21,808
Loss on disposal of fixed assets	10,455	2,661
Auditors' remuneration	<u>5,000</u>	<u>-</u>
	<u>44,490</u>	<u>64,800</u>
Directors' emoluments	<u>44,490</u>	<u>64,800</u>

IVYBRIDGE BUILDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006**

5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 July 2006	30 Sept 2005
	£	£
Bank interest	57	-
Bank charges	4,692	4,990
Loan interest	1,279	2,335
Hire purchase	<u>7,233</u>	<u>9,357</u>
	<u>13,261</u>	<u>16,682</u>

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows

	31 July 2006	30 Sept 2005
	£	£
Current tax		
UK corporation tax	24,370	12,686
Deferred tax	<u>(6,959)</u>	<u>2,826</u>
Tax on profit on ordinary activities	<u>17,411</u>	<u>15,512</u>

IVYBRIDGE BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006**

6 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below

	31 July 2006	30 Sept 2005
	£	£
Profit on ordinary activities before tax	<u>708,717</u>	<u>56,032</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 19%)	212,615	10,646
Effects of Depreciation in excess of capital allowances	9,055	1,012
Expenses not allowable	763	1,028
Hive up profit not taxable	<u>(198,063)</u>	<u>-</u>
Current tax charge	<u>24,370</u>	<u>12,686</u>

7 DIVIDENDS

	31 July 2006	30 Sept 2005
	£	£
Ordinary shares of £1 each		
Interim (£350 per share)	<u>35,000</u>	<u>-</u>

IVYBRIDGE BUILDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006**

8 TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 October 2005	38,246	42,972	151,962	233,180
Additions	-	445	36,099	36,544
Transfer to group undertakings	(38,246)	(43,417)	(136,967)	(218,630)
Third party disposals	-	-	(51,094)	(51,094)
At 31 July 2006	-	-	-	-
DEPRECIATION				
At 1 October 2005	5,464	17,953	83,651	107,068
Charge for period	2,060	7,536	40,228	49,824
Transfer to group undertakings	(7,524)	(25,489)	(117,318)	(150,331)
Eliminated on disposals	-	-	(6,561)	(6,561)
At 31 July 2006	-	-	-	-
NET BOOK VALUE				
At 31 July 2006	-	-	-	-
At 30 September 2005	<u>32,782</u>	<u>25,019</u>	<u>68,311</u>	<u>126,112</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
COST	
At 1 October 2005	142,842
Additions	36,099
Disposals/ transfer to group undertakings	(178,941)
At 31 July 2006	-
DEPRECIATION	
At 1 October 2005	77,417
Charge for period	5,945
Eliminated on disposal/ transfer to group undertakings	(83,362)
At 31 July 2006	-
NET BOOK VALUE	
At 31 July 2006	-
At 30 September 2005	<u>65,425</u>

IVYBRIDGE BUILDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006**

9	STOCKS	31 July 2006	30 Sept 2005
		£	£
	Stocks	<u>-</u>	<u>77,367</u>

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2006	30 Sept 2005
	£	£
Trade debtors	-	316,446
Other debtors	-	1,869
Amount owed by group undertakings	776,998	-
Prepayments	<u>-</u>	<u>17,531</u>
	<u>776,998</u>	<u>335,846</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2006	30 Sept 2005
	£	£
Bank loans and overdrafts (see note 13)	-	5,111
Hire purchase contracts (see note 14)	-	30,368
Trade creditors	-	320,856
Corporation tax	-	12,686
Social security and other taxes	-	5,963
VAT	-	20,730
Directors' loan accounts	-	82
Accrued expenses	<u>-</u>	<u>10,137</u>
	<u>-</u>	<u>405,933</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 July 2006	30 Sept 2005
	£	£
Bank loans (see note 13)	-	20,018
Hire purchase contracts (see note 14)	<u>-</u>	<u>24,644</u>
	<u>-</u>	<u>44,662</u>

13 LOANS

An analysis of the maturity of loans is given below

	31 July 2006	30 Sept 2005
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>-</u>	<u>5,111</u>

IVYBRIDGE BUILDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006**

13 LOANS – continued

	31 July 2006	30 Sept 2005
	£	£
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>-</u>	<u>5,111</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>-</u>	<u>14,907</u>

14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	31 July 2006	30 Sept 2005
	£	£
Gross obligations repayable		
Within one year	-	35,216
Between one and five years	<u>-</u>	<u>27,009</u>
	<u>-</u>	<u>62,225</u>
Finance charges repayable		
Within one year	-	4,848
Between one and five years	<u>-</u>	<u>2,365</u>
	<u>-</u>	<u>7,213</u>
Net obligations repayable		
Within one year	-	30,368
Between one and five years	<u>-</u>	<u>24,644</u>
	<u>-</u>	<u>55,012</u>

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	31 July 2006	30 Sept 2005
	£	£
Expiring		
In more than five years	<u>-</u>	<u>40,000</u>

IVYBRIDGE BUILDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006**

15 SECURED DEBTS

The following secured debts are included within creditors

	31 July 2006 £	30 Sept 2005 £
Bank loans	-	25,129
Hire purchase contracts	<u>-</u>	<u>55,012</u>
	<u>-</u>	<u>80,141</u>

16 PROVISIONS FOR LIABILITIES

	31 July 2006 £	30 Sept 2005 £
Deferred taxation	<u>-</u>	<u>6,959</u>

	Deferred tax £
Balance at 1 October 2005	6,959
Credit to profit & loss account	<u>(6,959)</u>
Balance at 31 July 2006	<u>-</u>

17 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31 July 2006 £	30 Sept 2005 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid Number	Class.	Nominal value	2006 £	2005 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

IVYBRIDGE BUILDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006**

18 RESERVES

	Profit and loss account £
At 1 October 2005	120,592
Profit for the period	691,306
Dividends	<u>(35,000)</u>
At 31 July 2006	<u><u>776,898</u></u>

19 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKINGS

The company's ultimate parent company and controlling party and the smallest and largest group to consolidate these accounts is Wolseley plc, a company registered in England and Wales which prepares group accounts. Copies of the group accounts may be obtained from the Company Secretary, Wolseley plc, Parkview 1220, Arlington Business Park, Theale, Reading, RG7 4GA

20. RELATED PARTY DISCLOSURES

Material interests of directors

Rent was payable during the year to the directors Mr L Scott and Mrs S Scott as follows

	31 July 2006 £	30 Sept 2005 £
Rent	<u>34,672</u>	<u>32,000</u>
Amounts due to related party at year end	<u>-</u>	<u>-</u>

The company has taken advantage of the exemption under paragraph 3 of the Financial Reporting Standard No 8 from the disclosure of transactions with group undertakings

IVYBRIDGE BUILDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2005 TO 31 JULY 2006**

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 July 2006	30 Sept 2005
	£	£
Profit for the financial period	691,306	40,520
Dividends	<u>(35,000)</u>	<u>-</u>
Net addition to shareholders' funds	656,306	40,520
Opening shareholders' funds	<u>120,692</u>	<u>80,172</u>
Closing shareholders' funds	<u>776,998</u>	<u>120,692</u>
 Equity interests	 <u>776,998</u>	 <u>120,692</u>

22 POST BALANCE SHEET EVENT

A number of changes have been proposed in the recent Chancellor's Budget to the UK corporation tax system, including a reduction in the corporation tax rate to 28% from 30%. The impact of these changes to the accounts is not considered to be material.