

Balance sheet
at 31 October 2004

	<i>Note</i>	31 October 2004		26 October 2003	
		£000	£000	£000	£000
Fixed assets					
Investments	8		-		-
Current assets					
Debtors	9	830,401		742,014	
Creditors: amounts falling due within one year	10	(58,997)		(28,194)	
Net current assets			771,404		713,820
Total assets less current liabilities			771,404		713,820
Creditors: amounts falling due after more than one year	11	(255,515)		(251,881)	
Net assets			515,889		461,939
Capital and reserves					
Called up share capital	13	456,872		456,872	
Profit and loss account	14	59,017		5,067	
Equity shareholders' funds			515,889		461,939

These financial statements were approved by the board of directors on 27 January 2005 and were signed on its behalf by:



GC Wilson
Director



Reconciliation of movements in shareholders' funds
for the 53 week period ended 31 October 2004

	53 weeks ended 31 October 2004 £000	418 days ended 26 October 2003 £000
Profit for the financial period	53,950	5,067
New share capital subscribed	-	456,872
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Net addition to shareholders' funds	53,950	461,939
Opening shareholders' funds	461,939	-
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Closing shareholders' funds	515,889	461,939
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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 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 given in note 17.

Investments

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

Taxation

The charge 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, deferred tax liabilities are provided in full; deferred tax assets are recognised to the extent that they are expected to be recoverable in the foreseeable future. No discounting has been applied to the deferred tax provision.

Derivatives and other financial instruments

The Company's financial instruments, other than derivatives comprise mezzanine notes, cash and liquid resources, and various items such as debtors and creditors that arise directly from its operations. The principal derivative instrument used by the Company is a cross currency swap.

2 Profit on ordinary activities before taxation

	53 weeks 2004 £000	418 days 2003 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
- audit	11	11
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Notes (continued)

3 Remuneration of directors

The remuneration of the board of Directors for their services to the Company and the subsidiary undertakings is as follows:

	53 weeks 2004 £000	418 days 2003 £000
Directors' emoluments	953	642
Company contribution to money purchase schemes	234	170
	<u>1,187</u>	<u>812</u>

The aggregate of emoluments of the highest paid director was £558,141 (2003: £377,723) and Company pension contributions of £135,795 (2003: £98,719) were made to a money purchase scheme on his behalf. He is a member of a defined benefit scheme, under which his accrued pension at the period end was £50,010 (2003: £48,516).

	Number of directors 53 weeks 2004	418 days 2003
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	2
Defined benefit schemes	2	2

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 53 weeks 2004	418 days 2003
Administration	2	2

The aggregate payroll costs of these persons were as follows:

	53 weeks 2004 £000	418 days 2003 £000
Wages and salaries	-	-

Notes (continued)

5 Interest receivable

	53 weeks	418 days
	2004	2003
	£000	£000
Receivable from group undertakings	111,504	72,070

6 Interest payable and similar charges

	53 weeks	418 days
	2004	2003
	£000	£000
Payable to group undertakings	-	42,832
On all other loans	33,220	17,329
Amortisation of capitalised debt issue costs	1,234	4,581
	34,454	64,742

7 Taxation

(a) Analysis of tax charge for the period

	53 weeks	418 days
	2004	2003
	£000	£000
Current tax		
UK corporation tax on profits for the period	23,114	2,209
Adjustments in respect of prior periods	(26)	-
Total current tax (see (b) below)	23,088	2,209

Notes (continued)

7 Taxation (continued)

(b) Factors affecting tax charge for the period

The tax assessed for the year is lower (2003: higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	53 weeks 2004 £000	418 days 2003 £000
Profit on ordinary activities before taxation	77,039	7,276
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	23,112	2,183
Effects of:		
Expenses not deductible for tax purposes	2	26
Adjustment to tax charge in respect of prior periods	(26)	-
Current tax charge for period (see (a) above)	23,088	2,209

8 Fixed asset investments

Shares in group
undertakings
£000

Cost and net book value

At beginning and end of period

The companies in which the Company's interest at the period is more than 20% are as follows:

Subsidiary undertaking	Country of incorporation	Principal activity	Class and percentage of shares held	
			Indirect	Direct
Focus Wickes (Investments) Ltd	UK	Intermediate holding Company		100% ordinary
Focus Wickes Limited	UK	Intermediate holding Company	100% ordinary	-
Focus Retail Group Limited	UK	Intermediate holding Company	100% ordinary	-
Focus Group (Finance) Ltd	UK	Intermediate holding Company	100% ordinary	-
Wickes Limited	UK	Intermediate holding Company	100% ordinary	-
Wickes Building Supplies Limited	UK	Retail operator of DIY superstores	100% ordinary	-
Focus (DIY) Limited	UK	Retail operator of DIY superstores	100% ordinary	-
Do It All Limited	UK	Retail operator of DIY superstores	100% ordinary	-

Notes (continued)

9 Debtors

	2004	2003
	£000	£000
Amounts owed by group undertakings	830,387	741,998
Other debtors	14	13
Prepayments and accrued income	-	3
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	830,401	742,014
	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	2004	2003
	£000	£000
Amounts owed to group undertakings	43,688	20,568
Accruals and deferred income	15,309	7,626
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	58,997	28,194
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11 Creditors: amounts falling due after more than one year

	2004	2003
	£000	£000
Mezzanine notes	255,515	251,881
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The Mezzanine Notes comprise:

	Maturity
£190,000,000 10% Mezzanine Notes	28 July 2011
€140,000,000 9¼% Mezzanine Notes	28 July 2011

The notes were issued at a discount. Cash interest accrues based on the principal amount at maturity, non-cash interest of 2% accrues from the date of issuance until the maturity date such that the accreted value will equal the principal at maturity. The notes are a senior unsecured obligation of the Group and are listed on the Luxembourg Stock Exchange.

Notes (continued)

11 Creditors: amounts falling due after more than one year (continued)

Analysis of debt

	2004	2003
	£000	£000
Debt can be analysed as falling due:		
In five years or more	263,439	260,934
Less future finance charges	(7,924)	(9,053)
	<u>255,515</u>	<u>251,881</u>

12 Contingent liabilities

The company has guaranteed certain borrowings of fellow subsidiary undertakings which at 31 October 2004 amounted to £355.4m (2003: £384.2m).

13 Called up share capital

	2004	2003
	£000	£000
<i>Authorised</i>		
Equity: 465,000,000 ordinary shares of £1 each	<u>465,000</u>	<u>465,000</u>
<i>Allotted, called up and fully paid</i>		
Equity: 456,871,941 ordinary shares of £1 each	<u>456,872</u>	<u>456,872</u>

14 Reserves

	Profit and loss account £000
At beginning of period	5,067
Retained profit for the period	<u>53,950</u>
At end of period	<u>59,017</u>

Notes (continued)

15 Derivatives and other financial instruments

Role of financial instruments

The Company raises its funds from various financial instruments and these funds are then used throughout the group to finance acquisitions and trading activity.

The Company does not trade in financial instruments.

The main risk arising from the Company's financial instruments is interest rate risk. A discussion of how these risks impact on the Company is given in the Directors report on page 1.

Interest rate risk

The interest rate risk profile of the Company is as follows:

	31 October 2004			26 October 2003		
	Total gross debt	Fixed interest rates	No interest paid	Total gross debt	Fixed interest rates	No interest paid
	£000	£000	£000	£000	£000	£000
Mezzanine notes	263,439	262,168	1,271	260,934	260,523	411
Issue costs	(7,924)			(9,053)		
	<u>255,515</u>			<u>251,881</u>		

The weighted average interest rate of the fixed rate financial liabilities is 12.47% (2003: 12.47%) and is fixed for a weighted average period of 6.74 years (2003: 7.76 years).

Liquidity risk

The maturity profile of the Company's financial instruments is as follows:

	31 October 2004		26 October 2003	
	Total gross debt	In more than five years	Total gross debt	In more than five years
	£000	£000	£000	£000
Mezzanine notes	263,439	263,439	260,934	260,934
Issue costs	(7,924)		(9,053)	
	<u>255,515</u>		<u>251,881</u>	

Notes (continued)

15 Derivatives and other financial instruments (continued)

Fair values

The fair values of the financial liabilities held by the Company are as follows:

	31 October 2004		26 October 2003	
	Book value £000	Fair Value £000	Book value £000	Fair Value £000
Financial liabilities				
Mezzanine notes	263,439	256,258	260,934	248,600
Issue costs	(7,924)		(9,053)	
	<u>255,515</u>		<u>251,881</u>	

The fair value of the mezzanine notes is the market value of the notes as quoted on the Luxembourg Stock Exchange.

16 Post balance sheet event

On 16 December 2004, the sale of the Wickes division to Travis Perkins plc for a cash consideration of approximately £950 million was announced by one of the subsidiaries of the Company. The transaction is conditional upon Travis Perkins shareholders' approval and regulatory clearance.

17 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