

THE ROOF WAREHOUSE (BRISTOL) LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2007



AGP
Chartered Accountants & Registered Auditors
Sycamore House
Sutton Quays Business Park
Sutton Quays
Runcorn
Cheshire
WA7 3EH

THE ROOF WAREHOUSE (BRISTOL) LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

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THE ROOF WAREHOUSE (BRISTOL) LIMITED

THE DIRECTOR'S REPORT

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

The director presents his report and the financial statements of the company for the period from 1 October 2006 to 31 December 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company commenced trading on 29 October 2006. The principal activity of the company during the period was the supply of roofing materials.

The company is part of the Roof Warehouse group which is a specialist roofing material distributor serving the contractor market with plans to deliver a UK wide branch network. The Roof Warehouse group has not grown as rapidly as expected and has suffered because of the downturn in the construction industry. Management have recognised this fact and moved quickly to re-structure the business focusing on a smaller range of products aimed at roofing contractors dealing mainly in flat roofing. This change will allow us to offer a specialised range of products and is aimed at making the company different from its competitors.

The branch team, supported by the directors, work at local level to clearly understand customers' needs and requirements in their region and develop offerings which best suit them.

The key objectives for management will be to ensure the profitable growth of the business.

Management will be in very close day to day contact with all aspects of the businesses' activities which will allow them to monitor and assess business performance. In addition a number of key measures will be used to control the business including branch profitability, working capital and cash flow.

The company will be intrinsically linked to activity in the roofing sector of the construction and building products industry. The management team will use their experience of the industry and the close contacts they have to continually monitor and assess industry activity levels and future prospects.

RESULTS AND DIVIDENDS

The loss for the period amounted to £183,271. The director has not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE PARENT COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the parent company were as follows:

	Ordinary B in the parent company	
	At 31 December 2007	At 1 October 2006 or later date of appointment
Mr R J Hand	25,000	25,000
Mr T J Coleman	<u>25,000</u>	<u>25,000</u>

THE ROOF WAREHOUSE (BRISTOL) LIMITED

THE DIRECTOR'S REPORT *(continued)*

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

Mr D Macaulay was appointed as a director on 27 May 2007

Mr D Macaulay retired as a director on 6 November 2007

Mr T J Coleman retired as a director on 31 May 2008

POLICY ON THE PAYMENT OF CREDITORS

It is the company's policy to abide by the terms of payment agreed with individual suppliers. The company does not follow standard terms as each supplier is negotiated with on its merits.

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

In so far as the director is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

THE ROOF WAREHOUSE (BRISTOL) LIMITED

THE DIRECTOR'S REPORT *(continued)*

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

Registered office
Sycamore House
Sutton Quays Business Park
Sutton Weaver
Runcorn
Cheshire
WA7 3EH

Signed by



MR R J HAND
Director

Approved by the director on 4 August 2008

THE ROOF WAREHOUSE (BRISTOL) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF THE
ROOF WAREHOUSE (BRISTOL) LIMITED
PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

We have audited the financial statements of The Roof Warehouse (Bristol) Limited for the period from 1 October 2006 to 31 December 2007 on pages 5 to 13, which have been prepared on the basis of the accounting policies set out on pages 8 to 9

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

The director's responsibilities for preparing 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 Director's 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).

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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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 International Standards on Auditing (UK and Ireland) 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 director 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.

THE ROOF WAREHOUSE (BRISTOL) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF THE ROOF WAREHOUSE (BRISTOL) LIMITED *(continued)*

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in the accounting policy concerning the company's ability to continue as a going concern. The company incurred a net loss of £183,271 during the period ended 31 December 2007 and at that date the company's current liabilities exceeded its total assets by £183,535. The continuity of the business as a going concern is subject to the realisation of a drastic reorganisation plan, which is currently being implemented. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



AGP
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4 August 2008

THE ROOF WAREHOUSE (BRISTOL) LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

	Note	Period from 1 Oct 06 to 31 Dec 07 £	Period from 1 Apr 05 to 30 Sep 06 £
TURNOVER	2	1,983,460	–
Cost of sales		<u>1,721,104</u>	<u>–</u>
GROSS PROFIT		262,356	–
Distribution costs		48,014	–
Administrative expenses		<u>397,863</u>	<u>265</u>
OPERATING LOSS	3	(183,521)	(265)
Interest receivable		250	–
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(183,271)</u>	<u>(265)</u>
Tax on loss on ordinary activities	5	–	–
LOSS FOR THE FINANCIAL PERIOD		<u>(183,271)</u>	<u>(265)</u>
Balance brought forward		(265)	–
Balance carried forward		<u>(183,536)</u>	<u>(265)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

The notes on pages 8 to 13 form part of these financial statements

THE ROOF WAREHOUSE (BRISTOL) LIMITED

BALANCE SHEET

31 DECEMBER 2007

	Note	31 Dec 07 £	£	30 Sep 06 £
FIXED ASSETS				
Tangible assets	6		<u>22,836</u>	<u>—</u>
CURRENT ASSETS				
Stocks	7	180,603		—
Debtors	8	488,634		500
Cash at bank and in hand		<u>118,247</u>		<u>1</u>
		787,484		501
CREDITORS: Amounts falling due within one year	9	<u>993,855</u>		<u>765</u>
NET CURRENT LIABILITIES			<u>(206,371)</u>	<u>(264)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(183,535)</u>	<u>(264)</u>
CAPITAL AND RESERVES				
Called-up equity share capital	14		1	1
Profit and loss account			<u>(183,536)</u>	<u>(265)</u>
DEFICIT	15		<u>(183,535)</u>	<u>(264)</u>

These financial statements were approved and signed by the director and authorised for issue on 4 August 2008

MR R J HAND



The notes on pages 8 to 13 form part of these financial statements

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

1. ACCOUNTING POLICIES

Basis of accounting

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

During the year, the company has made losses and has net liabilities. However, the financial statements have been prepared on a going concern basis due to the continued support of the holding company and its shareholders, which they have confirmed will be forthcoming. The accounts do not include adjustments that would be necessary if the company was unable to continue as a going concern.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Related parties transactions

The company is a wholly owned subsidiary of Roof Warehouse PLC, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the Roof Warehouse PLC group.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	10 years straight line
Fixtures & Fittings	-	15% straight line
Equipment	-	33% straight line

Stocks

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

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	Period from 1 Oct 06 to 31 Dec 07 £	Period from 1 Apr 05 to 30 Sep 06 £
United Kingdom	<u>1,983,460</u>	<u>-</u>

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

3. OPERATING LOSS

Operating loss is stated after charging

	Period from 1 Oct 06 to 31 Dec 07 £	Period from 1 Apr 05 to 30 Sep 06 £
Director's emoluments	—	—
Depreciation of owned fixed assets	5,721	—
Operating lease costs		
Other	51,629	—
Auditor's remuneration	7,110	—
	<u>31 Dec 07</u>	<u>30 Sep 06</u>
	£	£
Auditor's remuneration - audit of the financial statements	7,110	—

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to

	Period from 1 Oct 06 to 31 Dec 07 No	Period from 1 Apr 05 to 30 Sep 06 No
Number of distribution staff	5	—
Number of administrative staff	1	—
Number of management staff	1	—
	<u>7</u>	<u>—</u>

The aggregate payroll costs of the above were

	Period from 1 Oct 06 to 31 Dec 07 £	Period from 1 Apr 05 to 30 Sep 06 £
Wages and salaries	166,489	—
Social security costs	16,339	—
Other pension costs	2,499	—
	<u>185,327</u>	<u>—</u>

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

5. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 20% (2006 - 19%)

	Period from 1 Oct 06 to 31 Dec 07 £	Period from 1 Apr 05 to 30 Sep 06 £
Loss on ordinary activities before taxation	(183,271)	(265)
Loss on ordinary activities by rate of tax	(36,654)	(50)
Expenses not deductible for tax purposes	463	-
Capital allowances for period in excess of depreciation	(818)	-
Unrelieved tax losses	37,009	50
Total current tax	-	-

Factors that may affect future tax charges

As at the period ended 31 December 2007, the company had tax losses of £185,047 available to be carried forward for use against future profits

6. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
Additions	9,689	8,675	10,193	28,557
At 31 December 2007	9,689	8,675	10,193	28,557
DEPRECIATION				
Charge for the period	1,131	460	4,130	5,721
At 31 December 2007	1,131	460	4,130	5,721
NET BOOK VALUE				
At 31 December 2007	8,558	8,215	6,063	22,836
At 30 September 2006	-	-	-	-

7. STOCKS

	31 Dec 07 £	30 Sep 06 £
Stock	180,603	-

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

8. DEBTORS

	31 Dec 07	30 Sep 06
	£	£
Trade debtors	449,907	—
Amounts owed by group undertakings	25,658	—
Other debtors	174	—
Prepayments and accrued income	12,895	500
	<u>488,634</u>	<u>500</u>

9. CREDITORS: Amounts falling due within one year

	31 Dec 07	30 Sep 06
	£	£
Trade creditors	495,700	—
Amounts owed to group undertakings	464,000	765
Other creditors including taxation and social security		
PAYE and social security	3,869	—
VAT	8,243	—
Other creditors	<u>294</u>	<u>—</u>
	12,406	—
Accruals and deferred income	21,749	—
	<u>993,855</u>	<u>765</u>

There is a right to set off the bank balances between Roof Warehouse (Bristol) Ltd and all other group companies within Roof Warehouse PLC. At the 31 December 2007, the maximum overdrawn balance across the group after set-off amounted to £265,672.

10. PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The contributions payable for the period, amounting to £2,499, are charged to the profit and loss account. As at 31 December 2007, contributions of £294 were outstanding.

11. DERIVATIVES

No disclosure is required regarding derivatives.

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below

	31 Dec 07		30 Sep 06	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	5,009	-	-
Within 2 to 5 years	-	5,044	-	-
After more than 5 years	34,000	-	34,000	-
	<u>34,000</u>	<u>10,053</u>	<u>34,000</u>	<u>-</u>

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 not to provide information on related party transactions with other undertakings within the Roof Warehouse Plc group

14. SHARE CAPITAL

Authorised share capital:

	31 Dec 07 £	30 Sep 06 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	31 Dec 07		30 Sep 06	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	31 Dec 07 £	30 Sep 06 £
Loss for the financial period	(183,271)	(265)
Opening shareholder's (deficit)/funds	<u>(264)</u>	<u>1</u>
Closing shareholder's deficit	<u>(183,535)</u>	<u>(264)</u>

16. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Roof Warehouse Plc, a company registered in England & Wales, throughout the current period