

THE ROOF WAREHOUSE (BRISTOL) LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2008

AGP

Chartered Accountants & Registered Auditors

Sycamore House
Sutton Quays Business Park
Sutton Weaver
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Cheshire
WA7 3EH

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THE ROOF WAREHOUSE (BRISTOL) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

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THE ROOF WAREHOUSE (BRISTOL) LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2008

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the supply of roofing materials.

Roof Warehouse is a specialist roofing material distributor serving the contractor market and intends building a nationwide branch network.

The fast expansion during the previous years have incurred considerable losses and forced the business to consolidate the resources. The branch in Cumbernauld (Scotland) was closed in August 2008 and the same happened with the branches in Cannock (West Midlands) and Porchester (Hampshire) in March 2009.

The key objectives for management are to consolidate the activities of the remaining branches in Romford (Essex) and Brislington (Bristol), ensure their profitable growth and identify and secure suitable new locations to expand the branch network.

Funding has primarily been in the form of equity injections and the group does not have any onerous interest or capital repayment commitments.

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

RESULTS AND DIVIDENDS

The profit for the year amounted to £183,537. 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 year together with their beneficial interests in the shares of the parent company were as follows:

	Ordinary B in the parent company	
	At 31 December 2008	At 1 January 2008
Mr R J Hand	<u>25,000</u>	<u>25,000</u>

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

Mr D M Ramakers was appointed as a director on 31 March 2009.

Mr R J Hand resigned as a director on 31 March 2009.

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.

THE ROOF WAREHOUSE (BRISTOL) LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

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.

Registered office:
Oakwood House
Tonbridge Road
Harold Hill
Romford
Essex
RM3 8TS

Signed by



MR D M RAMAKERS
Director

Approved by the director on *25/10/2009*

THE ROOF WAREHOUSE (BRISTOL) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF THE
ROOF WAREHOUSE (BRISTOL) LIMITED
YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of The Roof Warehouse (Bristol) Limited for the year ended 31 December 2008, which have been prepared on the basis of the accounting policies set out on pages 7 to 8.

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)*

YEAR ENDED 31 DECEMBER 2008

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 2008 and of its profit for the year 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.

AGP

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Chartered Accountants
& Registered Auditors

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

5 October 2009

THE ROOF WAREHOUSE (BRISTOL) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2008

	Note	Year to 31 Dec 08 £	Period from 1 Oct 06 to 31 Dec 07 £
TURNOVER			
Discontinued operations		1,016,788	1,983,460
Cost of sales	2	(819,860)	(1,721,104)
GROSS PROFIT		196,928	262,356
Net operating expenses	2	376,784	445,877
OPERATING LOSS:	3		
Discontinued operations		(179,856)	(183,521)
Profit on disposal of discontinued operations	5	363,336	—
		183,480	(183,521)
Interest receivable		57	250
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		183,537	(183,271)
Tax on profit/(loss) on ordinary activities	6	—	—
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		183,537	(183,271)
Balance brought forward		(183,536)	(265)
Balance carried forward		1	(183,536)

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

The notes on page 5 form part of these financial statements.

THE ROOF WAREHOUSE (BRISTOL) LIMITED

BALANCE SHEET

31 DECEMBER 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	7	—	22,836
CURRENT ASSETS			
Stocks	8	—	180,603
Debtors	9	1	488,634
Cash at bank and in hand		1	118,247
		<u>2</u>	<u>787,484</u>
CREDITORS: Amounts falling due within one year	10	—	993,855
NET CURRENT ASSETS/(LIABILITIES)		<u>2</u>	<u>(206,371)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2</u>	<u>(183,535)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	1	1
Profit and loss account		1	(183,536)
SHAREHOLDER'S FUNDS/(DEFICIT)	16	<u>2</u>	<u>(183,535)</u>

These financial statements were approved and signed by the director and authorised for issue on*01/12/2009*.....



MR D M RAMAKERS

The notes on page 6 form part of these financial statements.

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

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

As at the 31 December 2008, the company sold all the trade and net liabilities to its parent company, Roof Warehouse PLC, as part of a company hive-up. From this date, the company became dormant and does not intend to trade in the foreseeable future. The accounts have been prepared on this basis.

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 year, 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.

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.

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

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. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

	Discontinued operations £	Total £
YEAR ENDED 31 DECEMBER 2008		
Cost of sales	<u>819,860</u>	<u>819,860</u>
Distribution costs	33,225	33,225
Administrative expenses	<u>343,559</u>	<u>343,559</u>
Net operating expenses	<u>376,784</u>	<u>376,784</u>

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

2. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES *(continued)*

	Discontinued operations £	Total £
PERIOD FROM 1 OCTOBER 2006 TO 31 DECEMBER 2007		
Turnover	1,983,460	1,983,460
Cost of sales	1,721,104	1,721,104
Gross	<u>262,356</u>	<u>262,356</u>
Distribution costs	48,014	48,014
Administrative expenses	397,863	397,863
Net operating expenses	<u>445,877</u>	<u>445,877</u>
Operating	<u>(183,521)</u>	<u>(183,521)</u>

3. OPERATING LOSS

Operating loss is stated after charging:

	Year to 31 Dec 08 £	Period from 1 Oct 06 to 31 Dec 07 £
Director's emoluments	—	—
Depreciation of owned fixed assets	5,668	5,721
Operating lease costs:		
Other	38,091	51,629
Auditor's remuneration	<u>10,170</u>	<u>7,110</u>
Exceptional item - stock provision	<u>41,000</u>	<u>—</u>

At the year end, Roof Warehouse (Bristol) Limited reviewed all stock lines and identified all items that had not moved within the last 12 months. These items are considered to be obsolete and a provision has been made in the accounts to exclude these items from stock.

Due to the material value of the stock provision, this has been disclosed as an exceptional item in order that the financial statements show a true and fair view.

	2008 £	2007 £
Auditor's remuneration - audit of the financial statements	<u>10,170</u>	<u>7,110</u>

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

4. PARTICULARS OF EMPLOYEES

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

	Year to 31 Dec 08	Period from 1 Oct 06 to 31 Dec 07
	No	No
Number of distribution staff	3	5
Number of administrative staff	1	1
Number of management staff	1	1
	<u>5</u>	<u>7</u>

The aggregate payroll costs of the above were:

	Year to 31 Dec 08	Period from 1 Oct 06 to 31 Dec 07
	£	£
Wages and salaries	118,377	166,489
Social security costs	11,951	16,339
Other pension costs	2,154	2,499
	<u>132,482</u>	<u>185,327</u>

5. PROFIT ON DISPOSAL OF DISCONTINUED OPERATIONS

	Year to 31 Dec 08	Period from 1 Oct 06 to 31 Dec 07
	£	£
Disposal of discontinued operations: (Profit)/Loss on sale of operation	<u>363,336</u>	<u>—</u>

On 31st December 2008 the company sold all the trade and net liabilities to its parent company Roof Warehouse PLC as part of a company hive-up.

From that date the company became dormant and does not intend to trade in the foreseeable future.

The profit on sale of discontinued operations therefore represents the difference between the net liabilities and the purchase price paid by Roof Warehouse PLC.

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

6. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2007 - 20%).

	Year to 31 Dec 08 £	Period from 1 Oct 06 to 31 Dec 07 £
Profit/(loss) on ordinary activities before taxation	<u>183,537</u>	<u>(183,271)</u>
Profit/(loss) on ordinary activities by rate of tax	38,543	(36,654)
Expenses not deductible for tax purposes	(76,251)	463
Capital allowances for period in excess of depreciation	786	(818)
Utilisation of tax losses	36,922	-
Unrelieved tax losses	-	37,009
Total current tax	<u>-</u>	<u>-</u>

7. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 January 2008	9,689	8,675	10,193	28,557
Disposals	(9,689)	(8,675)	(10,193)	(28,557)
At 31 December 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEPRECIATION				
At 1 January 2008	1,131	460	4,130	5,721
Charge for the year	969	1,301	3,398	5,668
On disposals	(2,100)	(1,761)	(7,528)	(11,389)
At 31 December 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE				
At 31 December 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2007	<u>8,558</u>	<u>8,215</u>	<u>6,063</u>	<u>22,836</u>

8. STOCKS

	2008 £	2007 £
Stock	<u>-</u>	<u>180,603</u>

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

9. DEBTORS

	2008 £	2007 £
Trade debtors	–	449,907
Amounts owed by group undertakings	1	25,658
Other debtors	–	174
Prepayments and accrued income	–	12,895
	<u>1</u>	<u>488,634</u>

10. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	–	495,700
Amounts owed to group undertakings	–	464,000
Other creditors including taxation and social security:		
PAYE and social security	–	3,869
VAT	–	8,243
Other creditors	–	294
	<u>–</u>	<u>12,406</u>
Accruals and deferred income	–	21,749
	<u>–</u>	<u>993,855</u>

11. 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 £2,154 (2007:£2,499), are charged to the profit and loss account. As at 31 December 2008, contributions of £297 (2007:£294) were outstanding.

12. DERIVATIVES

No disclosure is required regarding derivatives.

13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	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	–
	<u>–</u>	<u>–</u>	<u>34,000</u>	<u>10,053</u>

THE ROOF WAREHOUSE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

14. 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.

15. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2008	2007
	£	£
Profit/(Loss) for the financial year	183,537	(183,271)
Opening shareholder's deficit	<u>(183,535)</u>	<u>(264)</u>
Closing shareholder's funds/(deficit)	<u>2</u>	<u>(183,535)</u>

17. ULTIMATE PARENT COMPANY

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