

C & W BERRY LIMITED
REPORTS
AND
FINANCIAL STATEMENTS
YEAR ENDED 31ST OCTOBER 2005



WHITEHEAD & ALDRICH

CHARTERED ACCOUNTANTS

5 RIBBLESDALE PLACE,
PRESTON
PRI 8BZ



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COMPANIES HOUSE

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23/09/2006

C & W BERRY LIMITED
OFFICERS AND ADVISORS

DIRECTORS

Walter Berry
Colin Berry
David John Berry
Peter Jones
Graham Charnley Parker
Susan Taylor-Berry
Gary William Higham
Ian Richard Hunt

SECRETARY

Gary William Higham

AUDITORS

Whitehead & Aldrich,
Chartered Accountants,
5 Ribblesdale Place,
Preston.
PR1 8BZ

BANKERS

The Royal Bank of Scotland plc.,
165, Towngate,
Leyland.
PR25 2TE

REGISTERED OFFICE

Wellfield Sawmills,
King Street,
Leyland.
PR25 2LE

REGISTERED NUMBER

1464224 (England and Wales)

C & W BERRY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31st October 2005.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of timber, builders' and plumbers' merchants.

RESULTS FOR THE YEAR

The profit and loss account on page 5 shows the results for the year. The directors do not recommend the payment of a dividend. The profit for the financial year amounts to £1,827,984.

BUSINESS REVIEW

The directors expect that the results for the year ending 31st October 2006 will be similar to those achieved in the year under review.

FIXED ASSETS

The changes which have taken place during the year are shown on page 10 of the financial statements.

DIRECTORS

The directors during the year and their interests (including wife's holding) in the share capital of the company were as follows:-

	ORDINARY SHARES OF £1 EACH	
	At the end of the year	At the beginning of the year
W. Berry	1,560	1,560
C. Berry	1,560	1,560
D. J. Berry	840	840
S. Taylor-Berry	280	280
G. W. Higham	100	100
P. Jones	-	-
G. C. Parker	-	-
I. R. Hunt	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which 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;
- follow applicable accounting standards, 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

C & W BERRY LIMITED

DIRECTORS' REPORT (Continued)

AUDITORS

The auditors, Whitehead & Aldrich, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the board of directors

A handwritten signature in black ink, appearing to read 'W. Berry', is written over the printed name and title.

W. BERRY
Director

Approved by the board: 21st September 2006

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF C & W BERRY LIMITED

We have audited the financial statements of C & W Berry Limited for the year ended 31st October 2005 set out on pages 5 to 14. These financial statements have been prepared under the accounting policies set out therein.

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 may state to the company's members those matters we are required to state to them in an auditors' 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st October 2005 and of its profit for the year ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Whitehead & Aldrich

WHITEHEAD & ALDRICH

Chartered Accountants
and Registered Auditors,
Preston.

21st September 2006

C & W BERRY LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST OCTOBER 2005

		2005		2004	
		£	£	£	£
	NOTES				
TURNOVER	2		27,427,154		26,813,228
Other operating income			<u>5,020</u>		<u>5,065</u>
			27,432,174		26,818,293
Goods for re-sale			<u>18,934,023</u>		<u>19,675,123</u>
			8,498,151		7,143,170
Staff costs	3	4,360,142		4,099,742	
Depreciation		143,518		204,370	
Other operating charges		<u>1,445,554</u>	<u>5,949,214</u>	<u>1,362,520</u>	<u>5,666,632</u>
OPERATING PROFIT	4		2,548,937		1,476,538
Income from other fixed asset investments			<u>250</u>		<u>500</u>
			2,549,187		1,477,038
Interest receivable			<u>43,154</u>		<u>4,387</u>
			2,592,341		1,481,425
Interest payable	6		<u>6,731</u>		<u>46,369</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			2,585,610		1,435,056
Taxation	7		<u>757,626</u>		<u>425,261</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			1,827,984		1,009,795
Retained profit brought forward			<u>6,786,877</u>		<u>5,777,082</u>
RETAINED PROFIT CARRIED FORWARD			8,614,861		6,786,877

CONTINUING OPERATIONS

All of the company's activities in the above two financial years derived from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES

The company had no recognised gains or losses other than the profit for the above two financial years.

C & W BERRY LIMITED
BALANCE SHEET
AS AT 31ST OCTOBER 2005

	NOTES	2 0 0 5		2 0 0 4	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8	3,673,328		3,700,955	
Investments	9	<u>6,814</u>	3,680,142	<u>6,814</u>	3,707,769
CURRENT ASSETS					
Stocks		2,162,974		2,317,668	
Debtors	10	4,183,391		4,578,279	
Cash at bank and in hand		<u>2,010,981</u>		<u>4,341</u>	
		8,357,346		6,900,288	
CREDITORS: amounts falling due within one year	11	<u>3,319,855</u>		<u>3,614,095</u>	
NET CURRENT ASSETS			<u>5,037,491</u>		<u>3,286,193</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,717,633		6,993,962
CREDITORS: amounts falling due after more than one year	12	61,672		166,285	
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	14	<u>36,100</u>	<u>97,772</u>	<u>35,800</u>	<u>202,085</u>
NET ASSETS			<u>8,619,861</u>		<u>6,791,877</u>
CAPITAL AND RESERVES					
Called up share capital	15	4,900		4,900	
Capital redemption		100		100	
Profit and loss account		<u>8,614,861</u>		<u>6,786,877</u>	
SHAREHOLDERS' FUNDS	16		<u>8,619,861</u>		<u>6,791,877</u>

Signed on behalf of the board of directors



D. J. BERRY
 Director

Approved by the board: 21st September 2006

C & W BERRY LIMITD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST OCTOBER 2005

	NOTES	2 0 0 5 £	2 0 0 4 £
CASH FLOW STATEMENT			
Net cash inflow from operating activities	20	3,006,039	1,439,919
Returns on investments and servicing of finance	21a	31,826	(42,739)
Taxation		(425,626)	(231,761)
Capital expenditure and financial investment	21b	<u>(115,891)</u>	<u>(305,955)</u>
		2,496,348	859,464
Financing	21c	<u>(227,177)</u>	<u>(515,141)</u>
Increase in cash		<u>2,269,171</u>	<u>344,323</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS (Note 21)

	2 0 0 5 £	2 0 0 4 £
Increase in cash	2,269,171	344,323
Decrease in bank and other loans	<u>227,177</u>	<u>515,141</u>
Change in net funds	2,496,348	859,464
Net debt brought forward	<u>(565,373)</u>	<u>(1,424,837)</u>
Net funds/(debt) carried forward	<u>1,930,975</u>	<u>(565,373)</u>

C & W BERRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

Turnover represents the invoiced amount of goods sold and services provided, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off assets over their estimated useful lives:-

Freehold buildings	- 2% on cost
Long leasehold property	- 2% on cost
Motor vehicles	- 25% on written down value
Plant and equipment - computer equipment	- 20% on cost
- other	- 20% on written down value

No depreciation is provided on freehold land.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises, expenditure directly incurred in bringing stocks to their present location and condition, including attributable overheads.

Deferred taxation

Provision is made in full for taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date.

Lease transactions

Rentals under operating leases are charged to profit and loss account as they fall due.

Pensions

The company provided funded pension plans for the employees and five directors of the company. The assets of these plans are held separately from those of the company in independently administered funds. Contributions to the plans are charged to the profit and loss account as they become payable.

2. TURNOVER

There was no turnover attributable to geographical markets outside the United Kingdom during the two financial years.

3. STAFF COSTS

	2 0 0 5 £	2 0 0 4 £
Wages and salaries	3,897,555	3,665,079
Social security costs	367,653	342,673
Other pension costs	<u>94,934</u>	<u>91,990</u>
	<u>4,360,142</u>	<u>4,099,742</u>

C & W BERRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2005

3. STAFF COSTS (continued)

	2 0 0 5	2 0 0 4
	Number	Number
Average number of persons employed	219	211
	==	==

The above number of employees has not been analysed into categories because, in the directors' opinion, this would not be practicable because of the nature and variety of work performed by individual employees.

4. OPERATING PROFIT

This is stated after charging:

	2 0 0 5	2 0 0 4
	£	£
Directors' emoluments	213,157	260,020
Directors' money purchase pension scheme contributions	18,600	19,167
Auditors' remuneration	9,850	9,850
Operating lease rentals	172,675	172,675

5. HIGHEST PAID DIRECTOR

The directors' emoluments and pension scheme contributions disclosed in note 4 include the following in respect of the highest paid director:-

	2 0 0 5	2 0 0 4
	£	£
Emoluments	42,007	42,739
Money purchase pension scheme contributions	5,400	5,250
	47,407	47,989
	==	==

6. INTEREST PAYABLE

	2 0 0 5	2 0 0 4
	£	£
On bank loans and overdrafts	4,331	43,171
On other loans	2,400	3,198
	6,731	46,369
	==	==

7. TAXATION

	2 0 0 5	2 0 0 4
	£	£
Corporation tax at 30.0% (2004 - 27.9%)	757,700	426,000
Deferred taxation	300	4,400
	758,000	430,400
Prior year adjustment	(374)	(5,139)
	757,626	425,261
	==	==

C & W BERRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2005

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long leasehold property £	Motor vehicles £	Plant and equipment £	Total £
Cost:					
At 1st November 2004	2,723,318	965,791	557,293	1,465,193	5,711,595
Additions	-	5,400	24,316	87,825	117,541
Disposals	-	-	(22,200)	(2,701)	(24,901)
At 31st October 2005	2,723,318	971,191	559,409	1,550,317	5,804,235
Depreciation:					
At 1st November 2004	575,243	30,548	370,140	1,034,709	2,010,640
Charge for year	(35,917)	19,424	51,101	108,910	143,518
Disposals	-	-	(20,550)	(2,701)	(23,251)
At 31st October 2005	539,326	49,972	400,691	1,140,918	2,130,907
Net book value:					
At 31st October 2005	2,183,992	921,219	158,718	409,399	3,673,328
At 31st October 2004	2,148,075	935,243	187,153	430,484	3,700,955

Included in freehold land and buildings is land amounting to £1,145,895 (2004 - £1,145,895) which has not been depreciated.

9. INVESTMENTS

Unlisted securities:

	£
At cost at 1st November 2004 and at 31st October 2005	6,814

10. DEBTORS

	2005 £	2004 £
Trade debtors	3,913,407	4,374,438
Prepayments	162,500	95,177
Other debtors	107,484	108,664
	4,183,391	4,578,279

C & W BERRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2005

11. CREDITORS: amounts falling due within one year

	2 0 0 5 £	2 0 0 4 £
Bank loans and overdrafts (secured per note 13)	-	385,733
Trade creditors	1,766,993	1,993,479
Corporation tax	757,700	426,000
Other taxes and social security	452,907	468,301
Directors' current and loan accounts	80,075	77,395
Accruals	243,846	245,491
Other creditors	<u>18,334</u>	<u>17,696</u>
	<u>3,319,855</u>	<u>3,614,095</u>

12. CREDITORS: amounts falling due after more than one year

	2 0 0 5 £	2 0 0 4 £
Bank loan repayable:		
Between one and five years	-	85,569
After five years	-	-
Other creditors repayable:		
Between one and five years	61,672	80,716
After five years	<u>-</u>	<u>-</u>
	<u>61,672</u>	<u>166,285</u>

The other creditors are repayable in annual instalments. Interest is payable at 1.5% below bank base lending rate.

13. BANK BORROWINGS

Bank borrowings were secured by charges on the company's assets.

14. DEFERRED TAXATION

Deferred taxation provided in the financial statements is as follows:

	2 0 0 5 £	2 0 0 4 £
Accelerated capital allowances	41,500	46,200
Short term timing differences	<u>(5,400)</u>	<u>(10,400)</u>
	<u>36,100</u>	<u>35,800</u>

15. SHARE CAPITAL

	2 0 0 5 £	2 0 0 4 £
Authorised:		
200,000 ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
Allotted and fully paid:		
4,900 ordinary shares of £1 each	<u>4,900</u>	<u>4,900</u>

C & W BERRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2005

16. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year after taxation	1,827,984	1,009,795
Opening shareholders' funds	<u>6,791,877</u>	<u>5,782,082</u>
Closing shareholders' funds	<u>8,619,861</u>	<u>6,791,877</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 31st October 2005 the company had annual commitments under non-cancellable operating leases as set out below:-

	2005 £	2004 £
Land and buildings		
Operating leases which expire:		
In over five years	<u>141,175</u>	<u>141,175</u>

18. CAPITAL COMMITMENTS

	2005 £	2004 £
Authorised but not contracted	<u>-</u>	<u>40,000</u>

19. RELATED PARTY TRANSACTIONS

a) Directors

Other creditors include loans which subsisted throughout the year between the company and close family members of the directors.

The aggregate amounts included in the accounts in connection with these loans were as follows:-

i) Balance sheet - Creditors

	£
Falling due within one year	
Other creditors	18,334
Falling due after more than one year	
Other creditors	<u>61,672</u>
	<u>80,006</u>
Accruals	<u>2,400</u>

ii) Profit and loss account

	£
Interest charged in the year	<u>2,400</u>

C & W BERRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2005

19. RELATED PARTY TRANSACTIONS (continued)

b) C & W Berry Property Holdings Limited

This company is a related party by virtue of the fact that the two companies have the following common shareholders and directors:

Mr. D. J. Berry
 Mrs. S. L. Taylor-Berry
 Mr. G. W. Higham

The amounts included in the financial statements in respect of the above company are as follows:-

i) Balance sheet - Debtors

	£
Prepayments	15,517
	<u> </u>
Other debtors	105,584
	<u> </u>

ii) Profit and loss account:

	£
Other operating charges - operating lease rentals in the year	124,000
	<u> </u>

20. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	2,548,937	1,476,538
Depreciation	143,518	204,370
Decrease in stocks	154,694	75,588
Decrease/(increase) in debtors	394,888	(258,983)
Decrease in creditors	(235,998)	(57,594)
	<u>3,006,039</u>	<u>1,439,919</u>

21. ANALYSIS OF CASH FLOW GIVEN IN CASH FLOW STATEMENT

a) Returns on investments and servicing of finance

	2005 £	2004 £
Dividends received	250	500
Interest received	43,154	4,387
Interest paid	(11,578)	(47,626)
	<u>31,826</u>	<u>(42,739)</u>

C & W BERRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2005

21. ANALYSIS OF CASH FLOW GIVEN IN CASH FLOW STATEMENT (continued)

b) Capital expenditure and financial investment

	2 0 0 5	2 0 0 4
	£	£
Purchase of tangible fixed assets	(117,541)	(307,819)
Sale of tangible fixed assets	<u>1,650</u>	<u>1,864</u>
	(115,891)	(305,955)
	<u><u> </u></u>	<u><u> </u></u>

c) Financing

	2 0 0 5	2 0 0 4
	£	£
Bank loan received	-	-
Decrease in bank and other loans	(227,177)	(515,141)
	(227,177)	(515,141)
	<u><u> </u></u>	<u><u> </u></u>

22. ANALYSIS OF NET FUNDS/(DEBT)

	At 1st November	Cash	At 31st October
	2 0 0 4	flows	2 0 0 5
	£	£	£
Cash at bank and in hand	4,341	2,006,640	2,010,981
Bank loans and overdrafts	(471,302)	471,302	-
Other loans:			
Due within one year	(17,696)	(638)	(18,334)
Due after more than one year	<u>(80,716)</u>	<u>19,044</u>	<u>(61,672)</u>
	(565,373)	2,496,348	1,930,975
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>