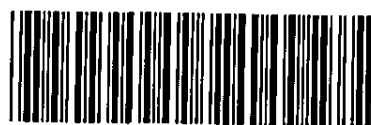

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2008

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LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

COMPANY INFORMATION

DIRECTORS	A L Worrall (resigned 01/04/2008) J Rynn A Kulkarni J P Sowton (appointed 01/04/2008) C O'Nuallain (appointed 01/04/2008) L J Martin (appointed 01/04/2008) P G Kearney (appointed 01/04/2008)
COMPANY SECRETARY	Grafton Group Secretarial Services Limited
COMPANY NUMBER	2524272
REGISTERED OFFICE	Aquis Court 31 Fishpool Street St Albans Hertfordshire AL3 4RF
AUDITORS	Hillier Hopkins LLP Charter Court Midland Road Hemel Hempstead Herts HP2 5GE

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

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LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

DIRECTORS' REPORT For the year ended 31 March 2008

The directors present their report and the financial statements for the year ended 31 March 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and 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 judgments and estimates that are reasonable and prudent;
- 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.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of wholesalers of ironmongery.

DIRECTORS

The directors who served during the year were:

A L Worrall (resigned 01/04/2008)
J Rynn
A Kulkarni
J P Sowton (appointed 01/04/2008)
C O'Nuallain (appointed 01/04/2008)
L J Martin (appointed 01/04/2008)
P G Kearney (appointed 01/04/2008)

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

DIRECTORS' REPORT
For the year ended 31 March 2008

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 28 January 2009 and signed on its behalf.



P G Kearney
Director

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

We have audited the financial statements of Lloyd Worrall (Newcastle Upon Tyne) Limited for the year ended 31 March 2008, set out on pages 5 to 12. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 might 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

The directors' 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 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).

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 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 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 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.

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LLOYD WORRALL (NEWCASTLE
UPON TYNE) LIMITED**

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 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 Directors' Report is consistent with the financial statements.



HILLIER HOPKINS LLP

Chartered Accountants
Registered Auditor

Charter Court
Midland Road
Hemel Hempstead
Herts
HP2 5GE

Date: 29/1/09

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2008

	Note	2008 £	2007 £
TURNOVER	1	4,587,813	4,397,318
Cost of sales		<u>(3,027,412)</u>	<u>(2,941,710)</u>
GROSS PROFIT		1,560,401	1,455,608
Selling and distribution costs		(52,434)	(52,130)
Administrative expenses		(1,195,870)	(1,228,890)
Other operating income	2	<u>2,453</u>	<u>-</u>
OPERATING PROFIT	3	314,550	174,588
Interest receivable		3,248	3,197
Interest payable		<u>(4,211)</u>	<u>(6,112)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		313,587	171,673
Tax on profit on ordinary activities	5	<u>(54,532)</u>	<u>(54,685)</u>
PROFIT FOR THE FINANCIAL YEAR	12	<u>259,055</u>	<u>116,988</u>

The notes on pages 7 to 12 form part of these financial statements.

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

BALANCE SHEET
As at 31 March 2008

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	6		86,665		87,072
CURRENT ASSETS					
Stocks	7	321,508		315,262	
Debtors	8	1,244,187		1,344,917	
Cash at bank and in hand		219,120		143,875	
		<u>1,784,815</u>		<u>1,804,054</u>	
CREDITORS: amounts falling due within one year	9	<u>(900,471)</u>		<u>(1,178,497)</u>	
NET CURRENT ASSETS			<u>884,344</u>		<u>625,557</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>971,009</u>		<u>712,629</u>
CREDITORS: amounts falling due after more than one year	10		<u>(9,632)</u>		<u>(10,307)</u>
NET ASSETS			<u>961,377</u>		<u>702,322</u>
CAPITAL AND RESERVES					
Called up share capital	11		100,000		100,000
Profit and loss account	12		861,377		602,322
SHAREHOLDERS' FUNDS			<u>961,377</u>		<u>702,322</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28 January 2009

P G Kearney
Director

The notes on pages 7 to 12 form part of these financial statements.

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term Leasehold Property	-	15% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	15-20% straight line

1.4 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 OPERATING LEASES

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

1. ACCOUNTING POLICIES (continued)

1.8 TRANSACTIONS WITH GROUP COMPANIES

Stock purchases and sales between companies in the Lloyd Worrall group are made at cost.

2. OTHER OPERATING INCOME

	2008 £	2007 £
Sundry income	2,453	-

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	19,936	25,752
- held under finance leases	21,132	23,142
Auditors' remuneration	4,200	3,200
Pension costs	19,041	16,145
Equipment leasing costs	1,827	1,780
Operating lease - rental costs	43,724	34,944
Profit/loss on sale of tangible assets	(15,927)	(958)

4. DIRECTORS' REMUNERATION

	2008 £	2007 £
Aggregate emoluments	173,408	176,716

During the year retirement benefits were accruing to 2 directors (2007 - 2) in respect of money purchase pension schemes.

5. TAXATION

	2008 £	2007 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
UK corporation tax charge on profit for the year	54,532	53,800
Adjustments in respect of prior periods	-	885
TAX ON PROFIT ON ORDINARY ACTIVITIES	54,532	54,685

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Total £
COST				
At 1 April 2007	34,296	184,842	68,252	287,390
Additions	-	35,159	7,274	42,433
Disposals	-	(62,804)	-	(62,804)
At 31 March 2008	34,296	157,197	75,526	267,019
DEPRECIATION				
At 1 April 2007	30,301	112,432	57,585	200,318
Charge for the year	1,031	35,303	4,734	41,068
On disposals	-	(61,032)	-	(61,032)
At 31 March 2008	31,332	86,703	62,319	180,354
NET BOOK VALUE				
At 31 March 2008	2,964	70,494	13,207	86,665
At 31 March 2007	3,995	72,410	10,667	87,072

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2008 £	2007 £
Motor vehicles	64,198	63,050

7. STOCKS

	2008 £	2007 £
Finished goods and goods for resale	321,508	315,262

The difference between purchase price or production cost of stocks and their replacement cost is not material.

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

8. DEBTORS

	2008 £	2007 £
Trade debtors	782,841	768,882
Amounts owed by group undertakings	386,094	496,863
Other debtors	75,252	79,172
	<u>1,244,187</u>	<u>1,344,917</u>

**9. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Net obligations under finance leases and hire purchase contracts	25,862	31,539
Trade creditors	516,375	524,381
Amounts owed to group undertakings	32,143	345,860
Corporation tax	54,637	53,800
Social security and other taxes	52,884	40,795
Other creditors	218,570	182,122
	<u>900,471</u>	<u>1,178,497</u>

**10. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008 £	2007 £
Net obligations under finance leases and hire purchase contracts	9,632	10,307
	<u>9,632</u>	<u>10,307</u>

11. SHARE CAPITAL

	2008 £	2007 £
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

12. RESERVES

	Profit and loss account £
At 1 April 2007	602,322
Profit for the year	259,055
	<hr/>
At 31 March 2008	861,377
	<hr/>

13. CONTINGENT LIABILITIES

Lloyds TSB Bank Plc holds an unlimited omnibus guarantee from the company in respect of amounts owing by group undertakings.

14. PENSION COMMITMENTS

"The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £19,041 (2007 - £16,145)

15. OPERATING LEASE COMMITMENTS

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008 £	2007 £
EXPIRY DATE:		
After more than 5 years	30,000	30,000
	<hr/>	<hr/>

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company, Lloyd Worrall Group Limited.

During the year transactions with the company's parent and fellow subsidiary undertakings consisted of sales of £326,389 (2007: £363,600), purchases of £1,986 (2007: £3,604), interest received of £nil (2007: £nil), interest paid of £nil (2007: £nil) and management charges of £185,000 (2007: £229,250).

At the balance sheet date the company owed the parent company and fellow subsidiaries £293,071.

LLOYD WORRALL (NEWCASTLE UPON TYNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company is Lloyd Worrall Group Limited, a company registered in England and Wales. Lloyd Worrall Group Limited prepare consolidated accounts and these are available from the company's registered office.

The group was controlled by A L Worrall at 31st March 2008.