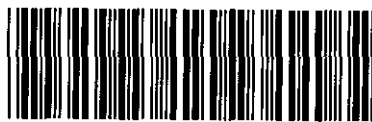


**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006
FOR
K&R BUILDING SUPPLIES LTD**

Greenwood Wilson
The Old School
The Stennack
St Ives
Cornwall
TR26 1QU

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COMPANIES HOUSE

K&R BUILDING SUPPLIES LTD

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006**

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K&R BUILDING SUPPLIES LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2006

DIRECTORS: P D R Clackworthy (resigned 19 April 2006)
Mrs K L Clackworthy (resigned 19 April 2006)
Mr M Neville (appointed 19 April 2006)
Mr N Nearchou (appointed 19 April 2006)

SECRETARY: Mrs K L Clackworthy (resigned 19 April 2006)
Mr G Middlemiss (appointed 19 April 2006)

REGISTERED OFFICE: The Wolseley Center
Harrison Way
Leamington Spa
CV31 3HH

REGISTERED NUMBER: 3929708 (England and Wales)

ACCOUNTANTS: Greenwood Wilson
The Old School
The Stennack
St Ives
Cornwall
TR26 1QU

K&R BUILDING SUPPLIES LTD

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2006**

The directors present their report with the financial statements of the company for the year ended 31st March 2006.

CHANGE OF OWNERSHIP

On 19 April 2006 the company's entire share capital was acquired by Wolseley UK Limited. The entire business and assets of K&R Building Supplies Limited were transferred to Wolseley UK Limited on 31 July.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of builders merchants.

DIRECTORS

The directors set out in the table below have held office during the period from 1st April 2005 to the date of this report.

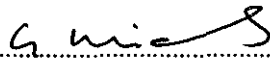
The beneficial interests of the directors holding office at 31st March 2006 in the shares of the company, according to the register of directors' interests, were as follows:

	31.3.06	1.4.05
Ordinary shares of 1 each		
P D R Clackworthy (resigned 19 April 2006)	50	50
Mrs K L Clackworthy (resigned 19 April 2006)	50	50
Mr M Neville (appointed 19 April 2006)	-	-
Mr N Nearchou (appointed 19 April 2006)	-	-
Ordinary B shares of 1 each		
P D R Clackworthy (resigned 19 April 2006)	-	-
Mrs K L Clackworthy (resigned 19 April 2006)	10	10
Mr M Neville (appointed 19 April 2006)	-	-
Mr N Nearchou (appointed 19 April 2006)	-	-

These directors did not hold any non-beneficial interests in any of the shares of the company.

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

ON BEHALF OF THE BOARD:


.....
Graham Middlemiss
Company Secretary

Date: 24/01/07

K&R BUILDING SUPPLIES LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2006

	Notes	2006 £	2005 £
TURNOVER		2,781,338	2,988,666
Cost of sales		<u>2,156,058</u>	<u>2,315,457</u>
GROSS PROFIT		625,280	673,209
Administrative expenses		<u>363,516</u>	<u>349,540</u>
OPERATING PROFIT	2	261,764	323,669
Interest receivable and similar income		<u>9,993</u>	<u>7,493</u>
		271,757	331,162
Interest payable and similar charges		<u>606</u>	<u>2,445</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		271,151	328,717
Tax on profit on ordinary activities	3	<u>68,111</u>	<u>87,729</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>203,040</u>	<u>240,988</u>

K&R BUILDING SUPPLIES LTD

**BALANCE SHEET
31ST MARCH 2006**

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	5	61,017	64,855
CURRENT ASSETS			
Stocks		251,264	255,803
Debtors	6	378,093	411,522
Cash at bank and in hand		<u>627,214</u>	<u>551,531</u>
		1,256,571	1,218,856
CREDITORS			
Amounts falling due within one year	7	<u>513,332</u>	<u>629,682</u>
NET CURRENT ASSETS		<u>743,239</u>	<u>589,174</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		804,256	654,029
CREDITORS			
Amounts falling due after more than one year	8	<u>-</u>	<u>2,813</u>
NET ASSETS		<u>804,256</u>	<u>651,216</u>
CAPITAL AND RESERVES			
Called up share capital	9	110	110
Profit and loss account	10	<u>804,146</u>	<u>651,106</u>
SHAREHOLDERS' FUNDS		<u>804,256</u>	<u>651,216</u>

K&R BUILDING SUPPLIES LTD

**BALANCE SHEET - continued
31ST MARCH 2006**

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st March 2006.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2006 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board of Directors on 24/01/07 and were signed on its behalf by:



.....
Matt Neville - Director

K&R BUILDING SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. OPERATING PROFIT

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

	2006	2005
	£	£
Depreciation - owned assets	9,987	10,063
Depreciation - assets on hire purchase contracts	4,457	5,479
Profit on disposal of fixed assets	<u>(705)</u>	<u>-</u>
Directors' emoluments and other benefits etc	<u>12,888</u>	<u>12,886</u>

K&R BUILDING SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006**

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2006 £	2005 £
Current tax:		
UK corporation tax	<u>68,111</u>	<u>87,729</u>
Tax on profit on ordinary activities	<u>68,111</u>	<u>87,729</u>

4. DIVIDENDS

	2006 £	2005 £
Ordinary shares of 1 each		
Final	<u>50,000</u>	<u>31,000</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st April 2005	39,138	9,270	73,953	7,674	130,035
Additions	857	-	12,245	-	13,102
Disposals	<u>-</u>	<u>-</u>	<u>(8,385)</u>	<u>-</u>	<u>(8,385)</u>
At 31st March 2006	<u>39,995</u>	<u>9,270</u>	<u>77,813</u>	<u>7,674</u>	<u>134,752</u>
DEPRECIATION					
At 1st April 2005	11,433	3,707	43,375	6,665	65,180
Charge for year	2,856	556	10,081	951	14,444
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(5,889)</u>	<u>-</u>	<u>(5,889)</u>
At 31st March 2006	<u>14,289</u>	<u>4,263</u>	<u>47,567</u>	<u>7,616</u>	<u>73,735</u>
NET BOOK VALUE					
At 31st March 2006	<u>25,706</u>	<u>5,007</u>	<u>30,246</u>	<u>58</u>	<u>61,017</u>
At 31st March 2005	<u>27,705</u>	<u>5,563</u>	<u>30,578</u>	<u>1,009</u>	<u>64,855</u>

K&R BUILDING SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006**

5. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1st April 2005 and 31st March 2006	<u>28,700</u>	<u>29,900</u>	<u>58,600</u>
DEPRECIATION			
At 1st April 2005	7,778	20,439	28,217
Charge for year	<u>2,092</u>	<u>2,365</u>	<u>4,457</u>
At 31st March 2006	<u>9,870</u>	<u>22,804</u>	<u>32,674</u>
NET BOOK VALUE			
At 31st March 2006	<u>18,830</u>	<u>7,096</u>	<u>25,926</u>
At 31st March 2005	<u>20,922</u>	<u>9,461</u>	<u>30,383</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Other debtors	<u>378,093</u>	<u>411,522</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Hire purchase contracts	2,813	11,059
Taxation and social security	90,300	120,458
Other creditors	<u>420,219</u>	<u>498,165</u>
	<u>513,332</u>	<u>629,682</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Hire purchase contracts	<u>-</u>	<u>2,813</u>

K&R BUILDING SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006**

9. CALLED UP SHARE CAPITAL

Authorised:			2006	2005
Number:	Class:	Nominal value:	£	£
100	Ordinary	1	100	100
100	Ordinary B	1	<u>100</u>	<u>100</u>
			<u>200</u>	<u>200</u>

Allotted, issued and fully paid:			2006	2005
Number:	Class:	Nominal value:	£	£
100	Ordinary	1	100	100
10	Ordinary B	1	<u>10</u>	<u>10</u>
			<u>110</u>	<u>110</u>

10. RESERVES

	Profit and loss account £
At 1st April 2005	651,106
Profit for the year	203,040
Dividends	<u>(50,000)</u>
At 31st March 2006	<u>804,146</u>