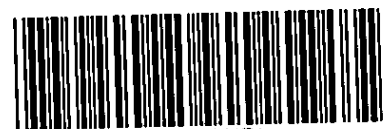


BRADFORDS BUILDING SUPPLIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
30 APRIL 2007

SATURDAY



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COMPANIES HOUSE

REGISTERED NUMBER: 278994

BRADFORDS BUILDING SUPPLIES LIMITED

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BRADFORDS BUILDING SUPPLIES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2007

PRINCIPAL ACTIVITY

The principal activity of the company continues to be builders merchanting business. The company trades from a network of 26 branches located across the South West region

The company is a member of the Bradford and Sons Limited group of companies

TRADING REVIEW

The level of demand has been broadly level during the year in both Housing and repairs maintenance and improvements with turnover volumes also boosted by the growth achieved at new and refurbished locations. Gross margins were lower than prior year levels reflecting price pressure in the market place.

Operating profit has increased significantly to £3,757,000 (£3,293,000 in 2006) assisted by the volume of business throughput and continued containment and dilution of overheads.

The following are the principal key financial performance indicators relating to the year's trading

	2007 £'000	2006 £'000
Gross margin	33.2%	33.6%
Operating margin	4.52%	4.3%
Pre-tax return on average shareholders equity	22.5%	21.3%
Shareholders equity	18,309	16,452
Sales per employee	150	138

Development of the Business

In the financial year, shareholders equity improved from £16,452,000 to £18,309,000. This is accounted for as follows:

	2007 £'000	2006 £'000
Opening shareholders equity	16,452	14,977
Net profit for the year after tax	2,686	2,308
Adjustment arising in the year	-	-
	<hr/> 19,138	<hr/> 17,285
Dividends paid	(829)	(833)
Closing shareholders equity	<hr/> 18,309	<hr/> 16,452

The return on average capital employed was 23.2% (2006 – 20.9%)

Dividend cover was 3.2X (2006 – 2.8X)

Capital expenditure

During the year the company spent £1,407,190 on purchases of fixed assets.

BRADFORDS BUILDING SUPPLIES LIMITED

DIRECTORS' REPORT (continued)

Position of the company at the year end

Net assets at the year end were £18 309 000 (2006 - £16 452 000)

At the year end, the company had net current assets of £12 212,000 (2006 - £10,014 000)

Cash and bank balances at the year end were £4 367 000 (2006 - £1,803 000)

Environment

We operate in accordance with our Environmental Policy which applies to all our operations and administration functions. We recognise that our operations can result in emissions to air and water and the generation of waste. It is our aim to reduce the environment impacts of our business and to operate in a responsible manner.

Health & Safety

The health and safety of the company's employees, customers, suppliers and others we come into contact with as a result of our activities is actively managed to minimise both short and long term risk.

We operate a Health & Safety Management System which is monitored by a Health & Safety Manager who advises and regularly reports to the board on all issues pertaining to health and safety.

Bradfords Building Supplies have a Lead Authority Partnership with East Devon District Council in respect of Health & Safety Management Systems. This enables us to adopt a more consistent approach to Health & Safety Management across all our branches, irrespective of the local authority area in which they are based.

The key health and safety ratios monitored by the company are

	2007	2006
Accident incident ratio (per 1000 staff)	19	19
Lost time injury ratio (per 1000 staff)	3	2

Human Resources

We have a Company philosophy that clearly sets out the importance we attach to acting with integrity, fairness and consistency. This philosophy is a key part of induction training and is regularly brought to the attention of staff thereafter.

We are an accredited 'Investor in People'. This commits us to train and develop all employees to improve their skills, so that they are empowered to reach their full potential in their career and so that they enable the company to achieve its business objectives.

During the year, the total number of staff employed in the company rose from 545 to 555.

PROPOSED DIVIDEND

The directors recommend the payment of a final dividend of £14.11 per share (2006 - £12.925).

An interim dividend of £7.79 per share (2006 - £7.50) was paid during the year.

BRADFORDS BUILDING SUPPLIES LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year and at the date of this report are as follows

P S Bradford (Chairman) (retired 22nd August 2006)

D J Smith (Managing Director)

M J Tidmarsh

A Gamble

P D Slade

K J Athersuch

A W K Merriam (appointed 1st May 2006)

A P Haughton (appointed 30th August 2006)

The interests of Mr P S Bradford and Mr A W K Merriam in the share capital of the group of which this company is a wholly owned member is disclosed in the financial statements of the ultimate parent company Bradford and Sons Limited. None of the other directors had any interests in the shares of group companies during the year.

RISKS AND UNCERTAINTIES

We maintain a register of operational, financial and external risks that is regularly reviewed by the Board. The significant risks and uncertainties are

Market Risk

Our business depends on the general health of the regional economy and in particular the region's house-building and repair market. Consequently demand for our products fluctuates with conditions in those markets. In order to minimise risk, we conduct market research and risk analysis in assessing investments in new branches and operations and we review stock and customer credit levels in the light of current and anticipated trading conditions.

Information Technology

Our information technology systems are an integral part of our operations. In order to ensure continuity and reliability, we continuously maintain our systems, have off-site back-up facilities and a disaster recovery plan in place that is regularly tested for efficiency and reliability.

Personnel

We recognise that staff recruitment, training and retention is fundamental to the success of the business. Training programmes are in place to ensure adequate and relevant training is available to all members of staff. The performance of all personnel is reviewed by line management and job progression is actively encouraged. Staff retention is continuously monitored and reported to the Board on a monthly basis.

Liquidity

Banking arrangements are made through the parent company. The company undertakes regular cash-flow forecasting to ensure that bank and other borrowing facilities are sufficient to meet working capital requirements.

FIXED ASSETS

Details of the changes in fixed assets of the company are set out on pages 14 to 15.

CHARITABLE AND POLITICAL DONATIONS

The company has made donations for charitable purposes during the year which amounted to £380 (2006 - £25).

The company has not made any donation or subscription for political purposes.

BRADFORDS BUILDING SUPPLIES LIMITED

DIRECTORS' REPORT (continued)

EMPLOYEES

The directors acknowledge the importance of good communications and relations with their employees and believe that they should be aware of matters which affect the company they serve. Employees are provided with regular information by various means and are represented at discussions concerning their welfare.

The company recognises its obligations towards less able people and endeavours to provide as much employment as the demands of the company's operations and the abilities of the less able persons allow.

Applications for employment from less able people are studied with care, and if existing employees become less able, every effort is made to find them appropriate work and training where it is needed.

Opportunities are offered to less able employees to develop their knowledge and skills and undertake greater responsibility.

EURO

The directors continue to review the implications of economic and monetary union and the possible introduction of the Euro in the United Kingdom. No material revenue costs are anticipated.

AUDITORS

From 2 April 2007 Solomon Hare Audit LLP changed its name to Smith & Williamson Solomon Hare Audit LLP.

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and Smith & Williamson Solomon Hare Audit LLP will therefore continue in office.

By order of the Board

K J Athersuch
Secretary



96 Hendford Hill
Yeovil
Somerset
BA20 2QT

Date 5th September 2007

BRADFORDS BUILDING SUPPLIES LIMITED

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 year 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 those financial statements the directors are required to select suitable accounting policies as described on pages 9 to 10 and then apply them on a consistent basis making judgements and estimates that are prudent and reasonable. The directors must also 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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

In so far as the directors are aware

- there is no relevant audit information of which the group's auditors are unaware and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

BRADFORDS BUILDING SUPPLIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRADFORDS BUILDING SUPPLIES LIMITED

We have audited the financial statements of Bradfords Building Supplies Limited for the year ended 30 April 2007 which comprise the Profit & Loss the Balance Sheet and the related notes 1 to 22. 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 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

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 read the information contained within the Directors' Report and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

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 state in our report whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 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 30 April 2007 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

SMITH & WILLIAMSON SOLOMON HARE AUDIT LLP

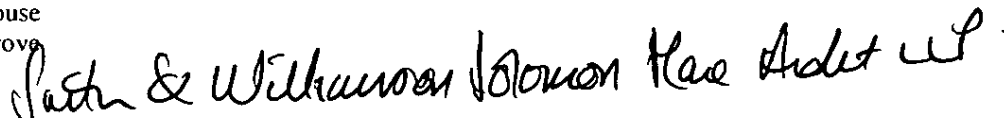
Chartered Accountants and Registered Auditors

Oakfield House

Oakfield Grove

Clifton

Bristol



Date 5th September 2007

BRADFORDS BUILDING SUPPLIES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2007**

	Note	2007 £'000	2006 £ 000
Turnover	2	83 007	75 073
Cost of sales		(55,469)	(49 840)
Gross profit		27,538	25,233
Distribution costs		(20,795)	(19,063)
Administrative expenses		(2,986)	(2,877)
Operating profit	2	3,757	3,293
Interest payable	5(a)	(42)	(41)
Interest receivable	5(b)	189	109
Profit on ordinary activities before taxation		3 904	3 361
Taxation on profit on ordinary activities	6	(1,218)	(1 053)
Retained profit for the financial year	17	2,686	2 308

All recognised gains and losses are included in the profit and loss account

All operations are closed as continuing

The notes on page 9 to 21 form part of these financial statements

BRADFORDS BUILDING SUPPLIES LIMITED**BALANCE SHEET
AS AT 30 APRIL 2007**

		2007	2006
	Note	£ 000	£'000
Fixed assets			
Intangible assets	8	895	958
Tangible assets	9	6 165	5,997
Investments	10	2	32
		<u>7 062</u>	<u>6,987</u>
Current assets			
Stocks	11	7 845	7,500
Debtors	12	11 832	10,555
Cash at bank and in hand		4 367	1,803
		<u>24 044</u>	<u>19,858</u>
Creditors: amounts falling due within one year	13	<u>(11,832)</u>	<u>(9 844)</u>
Net current assets		<u>12,212</u>	<u>10,014</u>
Total assets less current liabilities		<u>19 274</u>	<u>17,001</u>
Creditors: amounts falling due after more than one year	14	(682)	(327)
Provisions for liabilities and charges	15	(283)	(222)
Net assets		<u>18 309</u>	<u>16,452</u>
Capital and reserves			
Called up share capital	16	40	40
Other reserves		2	2
Profit and loss account	17	18,267	16,410
Equity shareholders' funds	18	<u>18,309</u>	<u>16,452</u>

These financial statements were approved by the board of directors on 5th September 2007 and were signed on its behalf by

A W K Merriam
Chairman



The notes on pages 9 to 21 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007****1 ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a group which prepares a consolidated cash flow statement

Turnover

Turnover is based on invoiced amounts excluding value added tax

Depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives which in the case of assets purchased new are taken as follows

Land and buildings	-	over life of lease
Plant and machinery, office equipment and fixtures and fittings	-	3, 5 or 10 years
Heavy commercial vehicles	-	8 years
Other vehicles	-	5 or 6 years

Stocks

Stocks are valued at the lower of cost and net realisable value

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Provision is made for all deferred taxation with the exception of deferred tax on gains recognised on revaluing properties to their market value. Such tax would only become payable if the properties were sold without it being possible to claim roll-over relief. The provision is not discounted

Pension costs

The company is a member of a group pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. As the company shares the underlying assets and liabilities in the scheme it has taken advantage of the exemption provided by FRS 17 'Retirement Benefit' whereby contributions to the scheme are charged to the profit and loss account as they fall due as it is not possible to identify the company's share of the underlying assets and liabilities of the scheme

The group also operates a defined contribution non-contributory executive pension scheme and a stakeholder scheme. Contributions to these schemes are charged to the profit and loss account as they become payable

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)**

1 ACCOUNTING POLICIES (continued)

Goodwill

Goodwill represents the difference between the amount paid on the acquisition of a business and the fair value of the net assets acquired

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Leasing commitments

Rentals payable under operating leases are charged to the profit and loss account as they are incurred

Hire purchase and finance lease agreements

Assets held under hire purchase and finance lease agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account in equal proportions over the period of the lease

Investments

Investments are stated at cost less provision for any impairment in value

Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8 from providing details of related party transactions with group companies as they are incorporated within the financial statements of its parent company, Bradford and Sons Limited. Copies of that company's financial statements are available from the Registrar of Companies, Companies House Crown Way Cardiff, CF4 3UZ

Consolidation

The company has taken exemption from preparing group financial statements in accordance with Section 228 of the Companies Act 1985 as it is a wholly owned subsidiary of a company incorporated within the EU. Accordingly, the financial statements present information about the company as an individual undertaking and not about its group

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****2 TURNOVER AND OPERATING PROFIT**

Turnover which all arises in the UK represents sales to external UK customers (excluding value added tax) in respect of the company's principal activity of merchanting building materials and timber

Operating profit is stated after charging/(crediting)	2007	2006
	£ 000	£ 000
Auditors' remuneration (including expenses)		
- audit work	30	30
- non audit work	2	24
Depreciation written off tangible fixed assets		
Owned assets	1 102	1,141
Leased assets	108	20
Amortisation of goodwill	63	64
Property leasing costs	669	534
Profit on sale of fixed assets	(19)	(6)

3 STAFF NUMBERS AND COSTS

The average number of persons (including directors) employed by the company during the year, analysed by activity was as follows

	2007	2006
	No	No
Sales and distribution	466	458
Administration	89	87
	<u>555</u>	<u>545</u>

The aggregate payroll costs of these persons were as follows

	2007	2006
	£'000	£'000
Wages and salaries	11 770	10 828
Social security costs	987	914
Other pension costs	553	536
	<u>13 310</u>	<u>12 278</u>

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****4 EMOLUMENTS OF DIRECTORS**

	2007	2006
	£ 000	£'000
Directors emoluments	481	379
Company contributions to money purchase scheme in relation to directors pensions	15	14

Five directors are accruing pension benefits under the group's defined benefits scheme (2006 Five directors) and one director (2006 one director) is also accruing pension benefits under the money purchase scheme (the executive pension scheme)

The emoluments excluding pension contributions of the highest paid director were £151,000 (2006 £112 000) and the company's contributions to the money purchase scheme in respect of this director were £15 000 (2006 £14 000)

The accrued pension of the highest paid director arising from the defined benefit scheme, at year end was £13 000 (2006 £11,000)

5a INTEREST PAYABLE

	2007	2006
	£'000	£'000
Hire purchase interest payable	42	41

5b INTEREST RECEIVABLE

	2007	2006
	£ 000	£ 000
On bank balance	189	109

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES****a) UK corporation tax on profits for the year**

	2007	2006
	£ 000	£ 000
Current tax		
UK corporation tax at 30% (2006 – 30%)	1 158	1 012
Adjustment relating to earlier years	(1)	(11)
	<u>1 157</u>	<u>1 001</u>
Deferred tax (note 15)		
Origination and reversal of timing differences	61	51
Adjustments in respect of prior periods	-	1
	<u>1 218</u>	<u>1 053</u>
	2007	2006
	%	%

b) Tax charge reconciliation

Standard rate of corporation tax	30.0	30.0
Effects of		
Expenses not deductible for corporation tax	1.7	1.8
Capital allowances more than depreciation	(1.5)	(1.7)
Short term timing differences	-	0.2
Utilisation losses	(0.5)	(0.2)
Adjustments to tax charge in respect of previous periods	-	(0.3)
Effective rate of current tax for the year	<u>29.7</u>	<u>29.8</u>

c) Factors affecting future tax charges

There are capital losses in the region of £27,000 (2006 - £27 000) that may be relieved against chargeable gains arising in future periods

7 DIVIDENDS

	2007	2006
	£ 000	£ 000
Interim dividend paid £7 793 per share (2006 £7 50 per share)	312	300
Dividend paid £12 925 per share (2006 £13 325 per share)	517	533
	<u>829</u>	<u>833</u>

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****8 INTANGIBLE FIXED ASSETS**

	Goodwill
Cost	£ 000
At 1 May 2006 and 30 April 2007	1 261
Amortisation	
At 1 May 2006	303
Charge for the year	63
At 30 April 2007	366
Net book value	
At 30 April 2007	895
At 30 April 2006	958

Goodwill is being written off over its estimated economic life of 20 years

9 TANGIBLE FIXED ASSETS

	Land and buildings	Plant, equipment and vehicles	Total
Cost	£ 000	£ 000	£ 000
At 1 May 2006	1,610	10,561	12,171
Additions	101	1,307	1,408
Disposals	-	(486)	(486)
Intra-group transfers	-	(240)	(240)
At 30 April 2007	1,711	11 142	12 853
Depreciation			
At 1 May 2006	205	5 969	6 174
Charge for year	73	1,137	1 210
On disposals	-	(461)	(461)
Intra-group transfers	-	(235)	(235)
At 30 April 2007	278	6 410	6 688
Net book value			
At 30 April 2007	1 433	4 732	6 165
At 30 April 2006	1,405	4 592	5 997

The net book value of land and buildings comprises short leasehold premises

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****9 TANGIBLE FIXED ASSETS (continued)**

Included within the net book value of £6 164,712 (2006 £5 996 654) is £974 067 (2006 £403,609) relating to assets held under hire purchase and finance lease agreements. The depreciation charged in the year in respect of these assets amounted to £107 674 (2006 £20 121).

10 FIXED ASSET INVESTMENTS

	Shares in subsidiaries (unquoted)	Trade investments (unquoted)	Total Investments
	£'000	£'000	£ 000
Costs at 1 May 2006	30	2	32
Impairment	(30)	-	(30)
Cost as at 30 April 2007	-	2	2

Details of the company's subsidiary, which is wholly owned, are as follows

B R Slade Limited Dormant company

Group financial statements are not submitted as the company is a wholly owned subsidiary of Bradford and Sons Limited, which is registered in Great Britain and prepares consolidated financial statements. The financial statements therefore give information about the company as an individual undertaking and not about its group. On 11 July 2006 B R Slade Limited was dissolved.

11 STOCKS

	2007	2006
	£ 000	£'000
Goods for resale	7 777	7,431
Consumables	68	69
	7 845	7,500

12 DEBTORS

	2007	2006
	£ 000	£ 000
Trade debtors	10 700	9 312
Amounts owed by parent and fellow subsidiaries	5	79
Other debtors and prepayments	1,127	1 164
	11 832	10 555

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****13 CREDITORS: Amounts falling due within one year**

	2007	2006
	£ 000	£ 000
Trade creditors	8 309	7,285
Amounts owed to parent and fellow subsidiaries	487	450
Corporation tax	622	506
Other taxes and social security	917	751
Other creditors and accruals	1,313	776
Obligations under hire purchase agreements	184	76
	<u>11,832</u>	<u>9,844</u>

14 CREDITORS: Amounts falling due after more than one year

	2007	2006
	£ 000	£'000
Obligations under hire purchase agreements	682	297
Amount owed to subsidiary company	-	30
	<u>682</u>	<u>327</u>

The amount owed to the subsidiary company represents an interest-free permanent loan and is not expected to be repaid in the foreseeable future

Future commitments under hire purchase agreements are as follows

	2007	2006
	£'000	£'000
Amounts payable within 1 year	184	76
Amounts payable between 2 and 5 years	623	297
Amounts payable over 5 years	<u>59</u>	<u>-</u>
	<u>866</u>	<u>373</u>

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****15 DEFERRED TAX**

	2007	2006
	£ 000	£ 000
Accelerated capital allowances	296	236
Other timing differences	(13)	(14)
Full provision	<u>283</u>	<u>222</u>
	2007	2006
	£ 000	£ 000
Provision at 1 May 2006	222	170
Deferred tax charge in profit and loss	<u>61</u>	<u>52</u>
Provision at 30 April 2007	<u>283</u>	<u>222</u>

16 CALLED UP SHARE CAPITAL

	2007	2006
	£ 000	£ 000
Authorised allotted called up and fully paid 40 000 ordinary shares of £1 each	<u>40</u>	<u>40</u>

17 PROFIT AND LOSS ACCOUNT

	2007	2006
	£ 000	£ 000
Balance brought forward	16 410	14 935
Retained profit for the year	2 686	2,308
Dividends paid	(829)	(833)
	<u>18 267</u>	<u>16,410</u>

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2007	2006
	£ 000	£ 000
Profit for the financial year	2 686	2 308
Equity dividends paid	(829)	(833)
	<u>1,857</u>	<u>1 475</u>
Opening Shareholders' equity funds	<u>16,452</u>	<u>14 977</u>
Closing Shareholders' equity funds	<u>18,309</u>	<u>16,452</u>

19 CONTINGENT LIABILITIES

There is a cross guarantee in place between the company and its fellow group companies to secure the bank overdrafts. The contingent liability to the company at 30 April 2007 amounted to £11,762,256 (2006 £5 010,568)

There is a cross guarantee in place between the company and its fellow group companies in respect of the bank loan. The maximum potential liability at 30 April 2007 is £Nil (2006 £500,000)

20 CAPITAL COMMITMENTS

i) Capital commitments at the end of the financial year for which no provision has been made

	2007	2006
	£'000	£ 000
Contracted but not provided in the financial statements	<u>329</u>	<u>324</u>

ii) Annual commitments under non-cancellable property operating leases are as follows

	2007	2006
	£'000	£ 000
Operating leases which expire		
In less than 1 year	106	19
Within two to five years	-	115
Over five years	<u>494</u>	<u>365</u>
	<u>600</u>	<u>499</u>

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****21 PENSION SCHEME**

It is not possible to allocate the scheme assets to specific subsidiary companies and accordingly the following information is given in respect of the group scheme as a whole of which this company is a member

The major assumptions used by the actuary to calculate the scheme liabilities in accordance with FRS17 are

	2007	2006	2005
	%	%	%
Rate of increase in pensionable salaries	4.10	4.00	3.90
Rate of increase in pensions in payment and deferred provisions (Pre 2005)	3.05	3.00	2.75
(Post 2005)	2.20	2.20	N/A
Discount rate	5.50	5.20	5.30
Inflation assumption	3.10	3.00	2.90

The fair value of assets in the scheme and the expected rate of return were

	2007 Long term expected rate of return %	2007 Value £'000	2006 Long term expected rate of return %	2006 Value £ 000	2005 Long term expected rate of return %	2005 Value £ 000
Equities	7.40	13,424	7.10	14,011	7.10	11,168
Bonds	5.50	7,003	5.20	5,710	5.30	3,967
Indexed linked gilts	4.90	1,990	4.60	1,575	4.60	1,147
Cash	5.00	487	4.25	512	4.25	572
		<u>22,904</u>		<u>21,808</u>		<u>16,854</u>

The following amounts were measured in accordance with the requirements of FRS17

	2007 £ 000	2006 £ 000	2005 £ 000
Total market value of assets	22,904	21,808	16,854
Present value of scheme liabilities	(25,599)	(24,030)	(21,504)
Deficit in the scheme	(2,695)	(2,222)	(4,650)
Related deferred tax	809	667	1,395
Net pension liability	<u>(1,886)</u>	<u>(1,555)</u>	<u>(3,255)</u>

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****21 PENSION SCHEME (continued)**

The potential FRS 17 charges to group Profit and Loss Account and Statement of Total Recognised Gains and Losses are summarised below

	2007	2006
	£ 000	£'000
a) Analysis of the amount charged to operating profit		
Current service cost	379	664
Past service cost	-	-
Total operating charge	379	664
b) Analysis of the amount charged to other finance income		
Expected return on pension scheme assets	1 396	1 104
Interest on pension scheme liabilities	(1 261)	(1,173)
Net return / (deficit)	135	(69)
c) Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses		
Actual return less expected return on pension scheme assets	(594)	3,106
Experience gains and losses arising on the scheme liabilities	31	(103)
Changes in assumptions underlying the present value of the scheme liabilities	(526)	(927)
Actuarial (loss)/gain	(1 089)	2 076
d) Movement in deficit during the year		
Deficit in scheme at the beginning of the year	(2,222)	(4,650)
Movement in the year		
Current service costs	(379)	(664)
Contributions	860	1 085
Past service costs	-	-
Other finance income	135	(69)
Actuarial (loss)/gain	(1 089)	2,076
Deficit in scheme at end of the year	(2,695)	(2,222)

BRADFORDS BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007 (CONTINUED)****21 PENSION SCHEME (continued)**

	2007	2006	2005	2004	2003
e) History of experience gains and losses					
Difference between the expected and actual return on scheme assets					
Amount (£ 000)	(594)	3 106	205	1 095	(2 980)
Percentage of scheme assets	(2.6)%	14.2%	1.2%	7.3%	(23.7)%
Experience gains and losses arising on scheme liabilities					
Amount (£ 000)	31	(103)	(1 284)	(111)	(133)
Percentage of the present value of the scheme liabilities	0.1%	(0.4)%	(6.0)%	(0.6)%	(0.9)%
Total amount recognised in Statement of Total Recognised Gains and Losses					
Amount (£'000)	(1 089)	2,076	(2 770)	160	(2 439)
Percentage of the present value of the scheme liabilities	(4.3)%	8.6%	(12.9)%	0.9%	(16.1)%

22 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Bradford and Sons Limited which is registered in England and Wales and is the immediate controlling party. The consolidated financial statements of the group are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.

There is no ultimate controlling party.

BRADFORDS BUILDING SUPPLIES LIMITED**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2007**

	2007	2006
	£	£
Sales	83 007 146	75 073 073
Cost of sales	(55 468 801)	(49 840 357)
Gross profit	27 538 345	25,232,716
Overheads		
Wages and salaries	12 757 762	11 741 374
Pension contributions	552,722	536 292
Lorry depreciation	364,033	303,261
Lorry running costs	1 577 665	1,415,565
Car depreciation	219 032	207,855
Car running costs	254,902	216,666
Rates	671 433	604 763
Rent payable	2,093 041	1 846,754
Light heat and power	253 905	207 290
Repairs and renewals	502,615	393 221
General depreciation	627 285	650 440
Advertising	432 051	437,296
Printing and stationery	254 854	235,562
Postage	118,130	119,370
Telephone charges	157 262	146,933
Recruiting and training	178 849	163,807
Miscellaneous expenses	954 120	838,005
Insurance	166 895	190,501
Legal expenses	14 133	7,867
Trade subscriptions	18 863	15,022
Professional fees	20,338	35 277
(Profit)/loss on disposal of fixed assets	(19,119)	(6,097)
Computer charges	1,127,000	1,127,000
Audit and accountancy	32,410	54,250
Bad debts	79 630	88,182
Interest	(189 381)	(108,695)
Finance charges	41,608	40,890
Management charges	309,000	300,000
Goodwill amortisation	63 055	63,052
	23 634 093	21 871 703
Profit before taxation	3,904 252	3 361,013

This page does not form part of the audited financial statements