

REGISTERED NUMBER 278994

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2011**

MONDAY



\*A3OD2Y2G\*

A01

03/10/2011

136

COMPANIES HOUSE

---

**BRADFORDS BUILDING SUPPLIES LIMITED**

---

<b>CONTENTS</b>	<b>PAGES</b>
Company information	2
Directors' report	3 - 6
Statement of directors' responsibilities	7
Independent auditor's report to the shareholders	8
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11 - 20

---

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2011**

---

**COMPANY INFORMATION**

**Directors**

A W K Merriam (Chairman)  
D J Smith (Managing Director)  
M J Tidmarsh  
A Gamble  
P Hoole  
A P Houghton

**Registered office**

96 Hendford Hill  
Yeovil  
Somerset  
BA20 2QR

**Auditors**

Nexia Smith & Williamson  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

**Bankers**

HSBC Bank plc  
Yeovil Branch  
1 Middle Street  
Yeovil  
Somerset  
BA20 1LR

**Solicitors**

Clarke Willmott  
1 Georges Square  
Bath Street  
Bristol  
BS1 6BA

---

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**DIRECTORS' REPORT**

---

The directors present their annual report and the audited financial statements for the year ended 30 April 2011

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

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

**TRADING REVIEW**

Throughout the year market conditions for builders' merchants remained in the doldrums with very fierce competition on prices. Against this background, Bradfords Building Supplies Limited increased turnover by a little over 2% to almost £74.5M. Once again trading was hampered by adverse weather, this time in December, and by customer failures resulting in bad debts and delays in payment.

The profitability of the company was maintained with continued benefit from tight controls of costs and focus on management of working capital.

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

	2011	2010
Gross margin	33.6%	33.3%
Operating margin	3.74%	3.82%
Pre-tax return on average shareholder's equity	13.4%	13.0%
Shareholder's equity (£000s)	20,455	22,651
Sales per employee (£000s)	154	150

**Development of the Business**

In the financial year, shareholder's equity decreased from £22,651,000 to £20,455,000. This is accounted for as follows:

	2011 £	2010 £
Opening shareholders equity	22,651	21,450
Net profit for the year after tax	2,104	2,023
	<u>24,755</u>	<u>23,473</u>
Dividends paid	(4,300)	(822)
Closing shareholders equity	<u>20,455</u>	<u>22,651</u>

The return on average capital employed was 12.4% (2010: 12.0%).  
Dividend cover was 0.5X (2010: 2.5X).

**Capital expenditure**

During the year the company spent £766,000 (2010: £390,000) 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 £20,455,000 (2010 £22,651,000)

At the year end, the company had net current assets of £14,981,000 (2010 £17,100,000)

Cash and bank balances at the year end were £9,452,000 (2010 £12,257,000)

**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 environmental impacts of our business and to operate in a responsible manner.

**Health & Safety**

The health and safety of the company's employees, customers 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

	2011	2010
Accident ratio (accidents per 1,000 staff)	25	21
Lost time injury ratio (reportable accidents per 1,000 staff)	1	3

**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. This is reinforced in the Group Vision and Values documents which are communicated to all employees.

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 average number of staff employed in the company fell from 486 to 482.

**PROPOSED DIVIDEND**

The directors recommend the payment of a final dividend of £12.50 per share (2010 £100.00)

An interim dividend of £7.50 per share (2010 £nil) was paid during the year.

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**DIRECTORS' REPORT (continued)**

---

**DIRECTORS**

The directors who served during the year are as stated below:

A W K Merriam (Chairman)  
D J Smith (Managing Director)  
M J Tidmarsh  
A Gamble  
P D Slade (retired 7th January 2011)  
P Hoole (appointed 1st December 2010)  
A P Haughton

**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 page 15.

**CHARITABLE AND POLITICAL DONATIONS**

The company has made donations for charitable purposes which amounted to £211 (2010: £396).

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.

**AUDITORS**

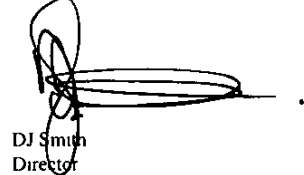
Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and Nexia Smith & Williamson will therefore continue in office.

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware, and
- that director had taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

On behalf of the Board



DJ Smith  
Director

96 Hendford Hill  
Yeovil  
Somerset  
BA20 2QR

Date 7th September 2011

---

**BRADFORDS BUILDING SUPPLIES LIMITED**

---

**DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **BRADFORDS BUILDING SUPPLIES LIMITED**

### **Independent auditor's 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 2011 which comprise the Profit & Loss Account, the Balance Sheet and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **Opinion on financial statements**

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 30 April 2011 and of the company's profit for the year then ended,  
have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and  
have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion,

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or  
the financial statements are not in agreement with the accounting records and returns, or  
certain disclosures of directors' remuneration specified by law are not made, or  
we have not received all the information and explanations we require for our audit.



Carl Deane  
Senior Statutory Auditor, for and on behalf of  
**NEXIA SMITH & WILLIAMSON**  
Statutory Auditor  
Chartered Accountant

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

Date 7th September 2011

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 APRIL 2011**

	Note	2011 £'000	2010 £'000
<b>TURNOVER</b>	2	74,387	72,908
Cost of sales		(49,361)	(48,604)
<b>GROSS PROFIT</b>		<u>25,026</u>	<u>24,304</u>
Distribution costs		(19,193)	(18,710)
Administrative expenses		<u>(3,049)</u>	<u>(2,808)</u>
<b>OPERATING PROFIT</b>			
Adjusted operating profit		2,858	2,786
Restructuring costs	5	(74)	-
	2	2,784	2,786
Interest payable	6(a)	(29)	(37)
Interest receivable	6(b)	135	127
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>2,890</u>	<u>2,876</u>
Tax on profit on ordinary activities	7	(786)	(853)
<b>PROFIT FOR THE YEAR</b>	18	<u>2,104</u>	<u>2,023</u>

All of the activities are continuing

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

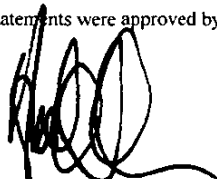
The notes on pages 11 to 20 form part of these financial statements

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**BALANCE SHEET**  
**AS AT 30 APRIL 2011**

	Note	2011 £'000	2010 £'000
<b>FIXED ASSETS</b>			
Intangible assets	9	643	706
Tangible assets	10	5,661	5,947
Investments	11	2	2
		<u>6,306</u>	<u>6,655</u>
<b>CURRENT ASSETS</b>			
Stocks	12	6,920	6,723
Debtors	13	10,516	9,949
Cash at bank and in hand		9,452	12,257
		<u>26,888</u>	<u>28,929</u>
<b>CREDITORS</b> Amounts falling due within one year	14	<u>(11,907)</u>	<u>(11,829)</u>
<b>NET CURRENT ASSETS</b>		<u>14,981</u>	<u>17,100</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>21,287</u>	<u>23,755</u>
<b>CREDITORS</b> Amounts falling due after more than one year	15	(633)	(869)
Provisions for liabilities and charges	16	<u>(199)</u>	<u>(235)</u>
		<u>20,455</u>	<u>22,651</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	17	40	40
Other reserves		2	2
Profit and loss account	18	<u>20,413</u>	<u>22,609</u>
<b>SHAREHOLDERS' FUNDS</b>	19	<u>20,455</u>	<u>22,651</u>

These financial statements were approved by the directors and authorised for issue on 7th September 2011 and are signed on their behalf by

AWK Merriam  
Director



Company Registered Number 278994

The notes on pages 11 to 20 form part of these financial statements

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011**

---

**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 accounting**

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

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard 1 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

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Income is recognised at the point that goods are despatched to customers

**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 land and buildings	-	period of lease
Plant and machinery, office equipment and fixtures and fittings	-	3, 5 or 10 years
Heavy commercial vehicles	-	9 years
Other vehicles	-	5 or 7 years

**Stocks**

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

**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 Financial Reporting Standard 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.

---

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011 (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

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.

**Financial liabilities and equity**

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Leasing commitments**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profit on a straight line basis over the period of the lease.

**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.

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011 (continued)**

**2 TURNOVER AND OPERATING PROFIT**

Turnover, which all arises in the UK, represents sales to customers (excluding Value Added Tax) in respect of the company's principal activity

Operating profit is stated after charging / (crediting)

	2011 £'000	2010 £'000
Depreciation written off tangible fixed assets		
Owned assets	775	867
Leased assets	268	268
Amortisation of goodwill	63	63
Property leasing costs	738	708
Other leasing costs	202	166
Auditors' remuneration (including expenses)		
Audit services	34	36
Non audit services	-	2
Profit on sale of fixed assets	(32)	(13)

**3 STAFF NUMBERS AND COSTS**

The average number of persons (including directors) employed by the company during the financial year amounted to

	2011 No	2010 No
Sales and distribution	397	398
Administration	85	88
	<u>482</u>	<u>486</u>

The aggregate payroll costs of the above were

	2011 £'000	2010 £'000
Wages and salaries	10,402	10,161
Social security costs	924	880
Other pension costs	585	568
	<u>11,911</u>	<u>11,609</u>

**4 EMOLUMENTS OF DIRECTORS**

	2011 £'000	2010 £'000
Directors' emoluments	340	355
Company contributions to money purchase scheme in relation to directors' pensions	122	10
	<u>462</u>	<u>365</u>

As at the year end there were no directors accruing benefits under the group's defined benefits scheme (2010 no directors) and four directors (2010 three directors) are accruing pension benefits under money purchase schemes

The emoluments, excluding pensions contributions, of the highest paid director were £125,000 (2010 £125,000) and the company's contributions to money purchase scheme in respect of this director were £18,000 (2010 £nil)

The accrued pension of the highest paid director, arising from the defined benefit scheme, at year end was £nil (2010 £19,000)

The emoluments of two of the directors were not paid through Bradfords Building Supplies Limited during 2010/11, as they were paid through the parent company Bradford & Sons Limited

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011 (continued)**

**5 RESTRUCTURING COST**

	2011	2010
	£'000	£'000
Reorganisation cost	<u>74</u>	<u>-</u>

The reorganisation cost is in respect of restructuring the organisation to address the impact of the current economic climate within the industry

**6(a) INTEREST PAYABLE**

	2011	2010
	£'000	£'000
Hire purchase agreements	<u>29</u>	<u>37</u>

**6(b) INTEREST RECEIVABLE**

	2011	2010
	£'000	£'000
On bank balance	<u>135</u>	<u>127</u>

**7 TAXATION ON ORDINARY ACTIVITIES**

**a) UK corporation tax on profits for the year**

	2011	2010
	£'000	£'000
Current tax		
UK corporation tax at 27.8% (2010: 28.0%)	850	911
Adjustments relating to earlier years	<u>(28)</u>	<u>(37)</u>
	822	874
Deferred tax (note 16)		
Origination and reversal of timing differences	(63)	(47)
Adjustments relating to earlier years	<u>27</u>	<u>26</u>
	<u>786</u>	<u>853</u>

**b) Tax charge reconciliation**

	2011	2010
	%	%
Standard rate of corporation tax	27.8	28.0
Effects of		
Expenses not deductible for tax purposes - fixed assets	-	1.0
Expenses not deductible for tax purposes	2.0	1.0
Depreciation in excess of Capital Allowances	1.6	1.7
Group relief claimed	(2.0)	-
Adjustments to tax charge in respect of previous periods	<u>(1.0)</u>	<u>(1.3)</u>
	<u>28.4</u>	<u>30.4</u>

**8 DIVIDENDS**

	2011	2010
	£'000	£'000
Interim dividend paid £7.50 (2010: £nil per share)	300	-
Final dividend paid £100.00 (2010: £20.55 per share)	<u>4,000</u>	<u>822</u>
	<u>4,300</u>	<u>822</u>

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011 (continued)**

**9 INTANGIBLE FIXED ASSETS**

	<b>Goodwill</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 May 2010 and 30 April 2011	<u>1,261</u>
<b>Amortisation</b>	
At 1 May 2010	555
Charge for the year	63
At 30 April 2011	<u>618</u>
<b>Net book value</b>	
At 30 April 2011	<u>643</u>
At 30 April 2010	<u>706</u>

**10 TANGIBLE FIXED ASSETS**

	<b>Leasehold land and buildings</b>	<b>Plant, equipment and vehicles</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>			
At 1 May 2010	2,884	11,403	14,287
Additions	478	287	765
Intra-group transfers in	-	40	40
Disposals	-	(382)	(382)
At 30 April 2011	<u>3,362</u>	<u>11,348</u>	<u>14,710</u>
<b>Depreciation</b>			
At 1 May 2010	587	7,753	8,340
Charge for the year	141	902	1,043
Intra-group transfers in	-	39	39
Disposals	-	(373)	(373)
At 30 April 2011	<u>728</u>	<u>8,321</u>	<u>9,049</u>
<b>Net book value</b>			
At 30 April 2011	<u>2,634</u>	<u>3,027</u>	<u>5,661</u>
At 30 April 2010	<u>2,297</u>	<u>3,650</u>	<u>5,947</u>

Included within the net book value of £5,661,000 (2010 £5,947,000) is £1,292,000 (2010 £1,560,000) relating to assets held under hire purchase and finance lease agreements. The depreciation charged in the year in respect of these assets amounted to £268,000 (2010 £268,000).

**11 FIXED ASSET INVESTMENTS**

	<b>Trade Investments (unquoted)</b>
	<b>£'000</b>
Cost at 1 May 2010 and 30 April 2011	<u>2</u>



**BRADFORDS BUILDING SUPPLIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011 (continued)**

**12 STOCK**

	2011	2010
	£'000	£'000
Goods for resale	6,844	6,651
Raw materials and consumables	76	72
	<u>6,920</u>	<u>6,723</u>

**13 DEBTORS**

	2011	2010
	£'000	£'000
Trade debtors	8,954	8,607
Amounts owed by group undertakings	12	170
Other debtors and prepayments	1,550	1,172
	<u>10,516</u>	<u>9,949</u>

**14 CREDITORS Amounts falling due within one year**

	2011	2010
	£'000	£'000
Trade creditors	8,871	8,654
Amounts owed to group undertakings	283	353
Corporation tax	822	874
Other tax and social security	815	828
Other creditors and accruals	880	785
Obligations under finance leases and hire purchase contracts	236	335
	<u>11,907</u>	<u>11,829</u>

**15 CREDITORS Amounts falling due after more than one year**

	2011	2010
	£'000	£'000
Obligations under finance leases and hire purchase contracts	<u>633</u>	<u>869</u>

Financial liabilities are due for repayment as follows

	2011	2010
	£'000	£'000
Due within one year	236	335
Between 2 and 5 years	627	769
Over 5 years	6	100
	<u>869</u>	<u>1,204</u>

Hire purchase liabilities are secured against the assets to which they relate

**16 PROVISIONS FOR LIABILITIES AND CHARGES**

**Deferred taxation**

	2011	2010
	£'000	£'000
Accelerated capital allowances	243	281
Other timing differences	(44)	(46)
Full provision	<u>199</u>	<u>235</u>

	2011	2010
	£'000	£'000
Provision at 1 May 2010	235	256
Deferred tax charge in the profit and loss	(36)	(21)
Provision at 30 April 2011	<u>199</u>	<u>235</u>

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011 (continued)**

**17 CALLED UP SHARE CAPITAL**

	2011 £'000	2010 £'000
Allotted, called up and fully paid 40,000 ordinary shares of £1 each	<u>40</u>	<u>40</u>

**18 PROFIT AND LOSS ACCOUNT**

	2011 £'000	2010 £'000
At 1 May 2010	22,609	21,408
Retained profit for the year	2,104	2,023
Dividends paid	<u>(4,300)</u>	<u>(822)</u>
At 30 April 2011	<u>20,413</u>	<u>22,609</u>

**19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2011 £'000	2010 £'000
Profit for the financial year	2,104	2,023
Equity dividends paid	<u>(4,300)</u>	<u>(822)</u>
	<u>(2,196)</u>	<u>1,201</u>
Opening Shareholders' funds	22,651	21,450
Closing Shareholders' funds	<u>20,455</u>	<u>22,651</u>

**20 COMMITMENTS - OPERATING LEASES**

Annual commitments under operating leases are as follows

	2011 £'000	2010 £'000
Land and buildings		
Expiring In five years or more	<u>749</u>	<u>743</u>
Other		
Expiring Between two and five years	<u>226</u>	<u>177</u>

**21 CAPITAL COMMITMENTS**

Capital commitments at the end of the financial year

	2011 £'000	2010 £'000
Contracted but not provided in the financial statements	<u>45</u>	<u>-</u>

**22 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 2011 amounted to £5,436,000 (2010 £7,384,000).

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 2011 is £6,467,000 (2010 £5,000,000).

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011 (continued)**

**23 PENSION COMMITMENTS**

During the prior year consultations were undertaken with active members of the group's defined benefit pension scheme to cease future accruals into the scheme. Following the consultation process this change was accepted by the members with effect from 6 April 2010.

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 as a whole, of which this company is a member.

The last full actuarial valuation was undertaken on 6 April 2010. An updated valuation at 30 April is obtained for the purposes of the group financial statements each year. The principal Actuarial assumptions at the balance sheet date were:

	2011	2010
	%	%
Rate of increase in pensionable salaries	n/a	n/a
Rate of increase in pensions in payment		
Inflation linked, max 5% pa, min 0% pa	3.30	3.39
Inflation linked, max 3% pa, min 0% pa	2.60	2.64
Inflation linked, max 2.5% pa, min 0% pa	2.30	2.29
Discount rate	5.30	5.50
Inflation assumption	3.40	3.50
Expected return on scheme assets	6.10	6.31
Cash commutation	75% of maximum	75% of maximum
	SINA YOB LC with	PMA92
	minimum improvements	YOB MC
Mortality		
Life expectancy of male aged 65 now	86	87
Life expectancy of male aged 65 in 20 years	88	88
Life expectancy of female aged 65 now	89	90
Life expectancy of female aged 65 in 20 years	91	91

The major categories of Scheme assets as a percentage of total Scheme assets were:

	2011	2010
	%	%
Equities	34.3	33.0
Diversified growth fund	22.7	22.6
Indexed linked gilts	10.1	10.0
Corporate bonds	32.8	34.3
Cash	0.1	0.1
Total	<u>100.0</u>	<u>100.0</u>

The amount recognised in the group balance sheet were:

	2011	2010
	£'000	£'000
Fair value of scheme assets	28,156	26,065
Present value of funded obligations	<u>(33,427)</u>	<u>(32,148)</u>
Deficit	(5,271)	(6,083)
Related deferred tax asset	<u>1,371</u>	<u>1,703</u>
Pension liability recognised in the balance sheet	<u>(3,900)</u>	<u>(4,380)</u>

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011 (continued)**

**23 PENSION COMMITMENTS (Continued)**

	2011 £'000	2010 £'000
<b>a) The amount recognised in profit or loss</b>		
Current service cost	-	290
Interest on obligation	1,739	1,587
Expected return on scheme assets	(1,633)	(1,368)
Gains on curtailments and settlements	-	(334)
	<u>106</u>	<u>175</u>
Actual return on scheme assets	<u>2,537</u>	<u>5,609</u>
	£'000	£'000
<b>b) Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses</b>		
Actuarial gain / (loss)	<u>155</u>	<u>(3,394)</u>
Cumulative amount of actuarial losses recognised in the Statement of Gains and Losses	<u>(8,267)</u>	<u>(8,422)</u>
	£'000	£'000
<b>c) Changes in the present value of the defined benefit obligation</b>		
Opening value of defined benefit obligation	32,148	23,736
Current service cost	-	290
Member contributions	-	225
Interest cost	1,739	1,587
Actuarial losses	749	7,635
Gains on curtailments and settlements	-	(334)
Benefits paid	(1,209)	(991)
Closing value of defined benefit obligation	<u>33,427</u>	<u>32,148</u>
	£'000	£'000
<b>d) Changes in fair value of scheme assets</b>		
Opening fair value of scheme assets	26,065	20,490
Expected return	1,633	1,368
Actuarial gain	904	4,241
Employer contributions	763	732
Member contributions	-	225
Benefits paid	(1,209)	(991)
Closing fair value of scheme assets	<u>28,156</u>	<u>26,065</u>

**BRADFORDS BUILDING SUPPLIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011 (continued)**

**23 PENSION COMMITMENTS (Continued)**

**e) Movements over the previous 5 year period**

	2011	2010	2009	2008	2007
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(33,427)	(32,148)	(23,736)	(24,765)	(25,599)
Scheme assets	28,156	26,065	20,490	23,473	22,904
Deficit	(5,271)	(6,083)	(3,246)	(1,292)	(2,695)
Experience adjustments on scheme liabilities	-	-	(69)	281	31
Experience adjustments on scheme assets	904	4,241	(4,612)	(1,718)	(594)

**24 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.

**25 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 largest and smallest group of companies for which the financial statements are drawn up is that headed by Bradford and Sons Limited. Consolidated accounts for Bradford and Sons Limited are available from Companies House.

There is no ultimate controlling party.