

REGISTERED NUMBER 00278994

BRADFORDS BUILDING SUPPLIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2013



BRADFORDS BUILDING SUPPLIES LIMITED

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BRADFORDS BUILDING SUPPLIES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2013

COMPANY INFORMATION

Directors

A W K Merriam (Chairman)
D J Smith (Managing Director)
A Gamble
P Hoole
A P Haughton (Company Secretary)

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 2013

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company continues to be builders merchandising business. The company trades from a network of 30 branches located across the South West region.

TRADING REVIEW

The construction sector continued to experience very tough trading conditions with competitive pressures on margins resulting in a fall in adjusted operating profits to £675k. Turnover was relatively unchanged at £76.1M.

In November 2012 two new branches were acquired in Dorchester, Dorset and Cinderford, Gloucestershire.

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

	2013	2012
Gross margin	32.8%	32.2%
Operating margin (adjusted)	1.25%	1.69%
Pre-tax return on average shareholder's equity	4.2%	6.6%
Shareholder's equity (£000s)	16,012	16,458
Sales per employee (£000s)	145	151

Development of the Business

In the financial year, shareholder's equity decreased from £16,458,000 to £16,012,000. This is accounted for as follows:

	2013 £	2012 £
Opening shareholders equity	16,458	20,455
Net profit for the year after tax	419	868
	<u>16,877</u>	<u>21,323</u>
Dividends paid	(865)	(4,865)
Closing shareholders equity	<u>16,012</u>	<u>16,458</u>

The return on average capital employed was 3.8% (2012: 5.9%).

Dividend cover was 0.8X (2012: 0.2X).

Capital expenditure

During the year the company spent £888,000 (2012: £1,065,000) 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 £16,012,000 (2012 £16,458,000)

At the year end, the company had net current assets of £10,433,000 (2012 £10,848,000)

Cash and bank balances at the year end were £4,501,000 (2012 £3,709,000)

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

	2013	2012
Accident ratio (accidents per 1,000 staff)	17	25
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 increased from 508 to 523.

PROPOSED DIVIDEND

The directors recommend the payment of a final dividend of £12.50 per share (2012 £12.50).

An interim dividend of £9.13 per share (2012 £9.13) 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)
A Gamble
P Hoole
A P Haughton (Company Secretary)

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 £4,467 (2012: £1,368).

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

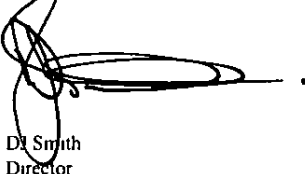
Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and Nexia Smith & Williamson will therefore continue in office.

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



Dr Smith
Director

96 Hendford Hill
Yeovil
Somerset
BA20 2QR

Date 4th September 2013

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 2013 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 Financial Reporting Council's (FRC'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 FRC's website at 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 2013 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 4th September 2013

BRADFORDS BUILDING SUPPLIES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 2013

	Note	2013 £'000	2012 £'000
TURNOVER	2	76,053	76,542
Cost of sales		(51,127)	(51,871)
GROSS PROFIT		<u>24,926</u>	<u>24,671</u>
Distribution costs		(21,009)	(20,792)
Administrative expenses		<u>(3,277)</u>	<u>(2,740)</u>
OPERATING PROFIT			
Adjusted operating profit		952	1,296
Amortisation		(63)	(157)
Impairment		(61)	-
Restructuring costs	2	(249)	-
	2	640	1,139
Interest payable	5(a)	(17)	(21)
Interest receivable	5(b)	52	103
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>675</u>	<u>1,221</u>
Tax on profit on ordinary activities	6(a)	(256)	(353)
PROFIT FOR THE YEAR	18	<u>419</u>	<u>868</u>

All of the activities are continuing

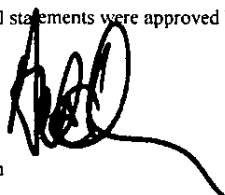
All recognised gains and losses are included in the profit and loss account

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

BRADFORDS BUILDING SUPPLIES LIMITED
BALANCE SHEET
AS AT 30 APRIL 2013

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Intangible assets	9	374	486
Tangible assets	10	5,681	5,744
Investments	11	<u>2</u>	<u>2</u>
		6,057	6,232
CURRENT ASSETS			
Stocks	12	9,776	7,914
Debtors	13	11,433	10,242
Cash at bank and in hand		<u>4,501</u>	<u>3,709</u>
		25,710	21,865
CREDITORS Amounts falling due within one year	14	<u>(15,277)</u>	<u>(11,017)</u>
NET CURRENT ASSETS		<u>10,433</u>	<u>10,848</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,490	17,080
CREDITORS Amounts falling due after more than one year			
Provisions for liabilities and charges	15	(311)	(440)
	16	<u>(167)</u>	<u>(182)</u>
		16,012	16,458
CAPITAL AND RESERVES			
Called-up equity share capital	17	40	40
Other reserves		2	2
Profit and loss account	18	<u>15,970</u>	<u>16,416</u>
SHAREHOLDERS' FUNDS	19	<u>16,012</u>	<u>16,458</u>

These financial statements were approved by the directors and authorised for issue on 4th September 2013 and are signed on their behalf by



AWK Merriam
Director

Company Registered Number 00278994

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 2013

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 2013 (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 2013 (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)

	2013 £'000	2012 £'000
Depreciation written off tangible fixed assets		
Owned assets	678	710
Leased assets	268	263
Amortisation of goodwill	63	157
Impairment	61	-
Property leasing costs	746	760
Other leasing costs	358	276
Auditors' remuneration (including expenses)		
Audit services	29	26
Non audit services	10	8
Profit on sale of fixed assets	<u>(40)</u>	<u>(47)</u>

Restructuring costs in the year totalling £249,000 (2012 £nil) relate to redundancy and restructuring costs

3 STAFF NUMBERS AND COSTS

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

	2013 No	2012 No
Sales and distribution	434	417
Administration	<u>89</u>	<u>91</u>
	<u>523</u>	<u>508</u>

The aggregate payroll costs of the above were

	2013 £'000	2012 £'000
Wages and salaries	11,579	11,327
Social security costs	994	993
Other pension costs	<u>595</u>	<u>585</u>
	<u>13,168</u>	<u>12,905</u>

4 EMOLUMENTS OF DIRECTORS

	2013 £'000	2012 £'000
Directors' emoluments	351	353
Company contributions to money purchase scheme in relation to directors' pensions	<u>54</u>	<u>61</u>
	<u>405</u>	<u>414</u>

As at the year end there were no directors accruing benefits under the group's defined benefits scheme (2012 no directors) and three directors (2012 three directors) are accruing pension benefits under money purchase schemes

The emoluments, excluding pensions contributions, of the highest paid director were £129,000 (2012 £136,000) and the company's contributions to money purchase scheme in respect of this director were £20,000 (2012 £17,000)

The emoluments of two of the directors were not paid through Bradfords Building Supplies Limited during 2012/13, 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 2013 (continued)

5(a) INTEREST PAYABLE

	2013	2012
	£'000	£'000
Hire purchase agreements	<u>17</u>	<u>21</u>

5(b) INTEREST RECEIVABLE

	2013	2012
	£'000	£'000
On bank balance	<u>52</u>	<u>103</u>

6 TAXATION ON ORDINARY ACTIVITIES

a) UK corporation tax on profits for the year

	2013	2012
	£'000	£'000
Current tax		
UK corporation tax at 23.92% (2012: 25.84%)	259	361
Adjustments relating to earlier years	<u>12</u>	<u>9</u>
	271	370
Deferred tax (note 15)		
Origination and reversal of timing differences	(25)	(17)
Adjustments relating to earlier years	<u>10</u>	<u>-</u>
	<u>256</u>	<u>353</u>

b) Tax charge reconciliation

	2013	2012
	%	%
Standard rate of corporation tax	23.9	25.8
Effects of		
Depreciation in excess of Capital Allowances	9.3	0.4
Expenses not deductible for tax purposes	5.9	6.2
Group relief claimed	(0.5)	(1.2)
Other short term differences	(0.1)	(1.6)
Adjustments to tax charge in respect of previous periods	<u>1.8</u>	<u>0.7</u>
	<u>40.3</u>	<u>30.3</u>

7 DIVIDENDS

	2013	2012
	£'000	£'000
Interim dividend paid £9.13 (2012: £9.13 per share)	365	365
Final dividend paid £12.50 (2012: £112.50 per share)	<u>500</u>	<u>4,500</u>
	<u>865</u>	<u>4,865</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013 (continued)

8 INTANGIBLE FIXED ASSETS

	Goodwill
Cost	£'000
At 1 May 2012	1,261
Additions	12
At 30 April 2013	<u>1,273</u>
Amortisation	
At 1 May 2012	775
Charge for the year	63
Impairment	61
At 30 April 2013	<u>899</u>
Net book value	
At 30 April 2013	<u>374</u>
At 30 April 2012	<u>486</u>

9 TANGIBLE FIXED ASSETS

	Leasehold land and buildings	Plant, equipment and vehicles	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 May 2012	3,395	10,571	13,966
Additions	79	815	894
Intra-group transfers in	-	12	12
Intra-group transfers out	-	(99)	(99)
Disposals	-	(242)	(242)
At 30 April 2013	<u>3,474</u>	<u>11,057</u>	<u>14,531</u>
Depreciation			
At 1 May 2012	890	7,332	8,222
Charge for the year	167	780	947
Intra-group transfers in	-	12	12
Intra-group transfers out	-	(93)	(93)
Disposals	-	(238)	(238)
At 30 April 2013	<u>1,057</u>	<u>7,793</u>	<u>8,850</u>
Net book value			
At 30 April 2013	<u>2,417</u>	<u>3,264</u>	<u>5,681</u>
At 30 April 2012	<u>2,505</u>	<u>3,239</u>	<u>5,744</u>

Included within the net book value of £5,681,000 (2012 £5,744,000) is £857,000 (2012 £1,033,000) 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 (2012 £263,000).

10 FIXED ASSET INVESTMENTS

	Trade Investments (unquoted)
	£'000
Cost at 1 May 2012 and 30 April 2013	<u>2</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013 (continued)

11 STOCK

	2013	2012
	£'000	£'000
Goods for resale	9,692	7,835
Raw materials and consumables	84	79
	<u>9,776</u>	<u>7,914</u>

12 DEBTORS

	2013	2012
	£'000	£'000
Trade debtors	9,050	8,359
Amounts owed by group undertakings	2	9
Other debtors and prepayments	2,381	1,874
	<u>11,433</u>	<u>10,242</u>

13 CREDITORS Amounts falling due within one year

	2013	2012
	£'000	£'000
Trade creditors	13,069	8,632
Amounts owed to group undertakings	402	294
Corporation tax	271	370
Other tax and social security	400	805
Other creditors and accruals	908	723
Obligations under finance leases and hire purchase contracts	227	193
	<u>15,277</u>	<u>11,017</u>

14 CREDITORS Amounts falling due after more than one year

	2013	2012
	£'000	£'000
Obligations under finance leases and hire purchase contracts	<u>311</u>	<u>440</u>

Financial liabilities are due for repayment as follows

	2013	2012
	£'000	£'000
Due within one year	227	193
Between 2 and 5 years	311	440
Over 5 years	-	-
	<u>538</u>	<u>633</u>

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

15 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

	2013	2012
	£'000	£'000
Accelerated capital allowances	175	204
Other timing differences	(8)	(22)
Full provision	<u>167</u>	<u>182</u>

	2013	2012
	£'000	£'000
Provision at 1 May 2012	182	199
Deferred tax charge in the profit and loss	(15)	(17)
Provision at 30 April 2013	<u>167</u>	<u>182</u>

Finance Act 2012 included legislation to reduce main rate corporation tax from 24% to 23% from 1 April 2013, and its impact is reflected above. Finance Bill 2013 includes clauses to reduce the rate of tax to 21% from 1 April 2014 and to 20% from 1 April 2015. The full anticipated effect of these changes is not considered material.

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013 (continued)

16 CALLED UP SHARE CAPITAL

	2013 £'000	2012 £'000
Allotted, called up and fully paid 40,000 ordinary shares of £1 each	<u>40</u>	<u>40</u>

17 PROFIT AND LOSS ACCOUNT

	2013 £'000	2012 £'000
At 1 May 2012	16,416	20,413
Retained profit for the year	419	868
Dividends paid	<u>(865)</u>	<u>(4,865)</u>
At 30 April 2013	<u>15,970</u>	<u>16,416</u>

18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000
Profit for the financial year	419	868
Equity dividends paid	<u>(865)</u>	<u>(4,865)</u>
	<u>(446)</u>	<u>(3,997)</u>
Opening Shareholders' funds	16,458	20,455
Closing Shareholders' funds	<u>16,012</u>	<u>16,458</u>

19 COMMITMENTS - OPERATING LEASES

Annual commitments under operating leases are as follows

	2013 £'000	2012 £'000
Land and buildings		
Expiring In five years or more	<u>755</u>	<u>750</u>
Other		
Expiring Between two and five years	<u>356</u>	<u>304</u>

20 CAPITAL COMMITMENTS

Capital commitments at the end of the financial year

	2013 £'000	2012 £'000
Contracted but not provided in the financial statements	<u>-</u>	<u>36</u>

21 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 2013 amounted to £NIL (2012 £1,730,000)

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 2013 is £10,117,000 (2012 £5,667,000)

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22 PENSION COMMITMENTS

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

	2013	2012
	%	%
Rate of increase in pensionable salaries	n/a	n/a
Rate of increase in pensions in payment		
LPI linked, max 5% pa, min 0% pa	3.20	3.10
CPI linked, max 3% pa, min 0% pa	2.15	2.10
LPI linked, max 2.5% pa, min 0% pa	2.25	2.20
Discount rate	4.15	4.60
RPI inflation	3.30	3.20
CPI inflation	2.30	2.40
Expected return on scheme assets	4.75	5.20
Cash commutation	75	75

	SINA LC with minimum improvements of 1% pa	SINA LC with minimum improvements of 1% pa
Mortality		
Life expectancy of male aged 65 now	87.3	87.7
Life expectancy of male aged 65 in 20 years	88.6	89.7
Life expectancy of female aged 65 now	89.7	90.6
Life expectancy of female aged 65 in 20 years	91.2	92.6

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

	2013	2012
	%	%
Equities	34.4	32.7
Diversified growth fund	21.0	21.8
Indexed linked gilts	11.7	11.8
Corporate bonds	32.8	33.5
Cash	0.1	0.2
Total	<u>100.0</u>	<u>100.0</u>

The amount recognised in the group balance sheet were

	2013	2012
	£'000	£'000
Fair value of scheme assets	32,693	28,391
Present value of funded obligations	<u>(36,848)</u>	<u>(34,977)</u>
Deficit	(4,155)	(6,586)
Related deferred tax asset	956	1,581
Pension liability recognised in the balance sheet	<u>(3,199)</u>	<u>(5,005)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013 (continued)

22 PENSION COMMITMENTS (Continued)

	2013 £'000	2012 £'000
a) The amount recognised in profit or loss		
Interest on obligation	1,580	1,740
Expected return on scheme assets	(1,359)	(1,592)
	<u>221</u>	<u>148</u>
Actual return on scheme assets	<u>4,906</u>	<u>883</u>
	£'000	£'000
b) Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses		
Actuarial (loss) / gain	<u>2,034</u>	<u>(1,792)</u>
Cumulative amount of actuarial losses recognised in the Statement of Gains and Losses	<u>(8,025)</u>	<u>(10,059)</u>
	£'000	£'000
c) Changes in the present value of the defined benefit obligation		
Opening value of defined benefit obligation	34,977	33,427
Interest cost	1,580	1,740
Actuarial losses	1,513	1,084
Benefits paid	(1,222)	(1,274)
Closing value of defined benefit obligation	<u>36,848</u>	<u>34,977</u>
	£'000	£'000
d) Changes in fair value of scheme assets		
Opening fair value of scheme assets	28,391	28,156
Expected return	1,359	1,592
Actuarial gain	3,547	(708)
Employer contributions	618	625
Benefits paid	(1,222)	(1,274)
Closing fair value of scheme assets	<u>32,693</u>	<u>28,391</u>

The group expects to contribute £600,000 to its defined benefit pension scheme in the coming year

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22 PENSION COMMITMENTS (Continued)

e) Movements over the previous 5 year period

	2013	2012	2011	2010	2009
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(36,848)	(34,977)	(33,427)	(32,148)	(23,736)
Scheme assets	32,693	28,391	28,156	26,065	20,490
Deficit	(4,155)	(6,586)	(5,271)	(6,083)	(3,246)
Experience adjustments on scheme liabilities	167	1,162	-	-	(69)
Experience adjustments on scheme assets	3,547	(708)	904	4,241	(4,612)

23 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.

24 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.