

BRADFORDS BUILDING SUPPLIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
30 APRIL 2009

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BRADFORDS BUILDING SUPPLIES LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 30 April 2009.

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

After a promising first quarter, demand was significantly reduced for the remainder of the year as the country entered recession. In particular, sales were seriously affected over the winter months, not helped by adverse weather, and although there were improving trading conditions coming into the spring, this continued to be at levels much lower than the previous year. However, all the available information suggests that despite the downturn in sales, our market share was increased.

To offset the loss of revenue, greater focus was placed on cost control and reduction, including two rounds of employee redundancies undertaken during October and January.

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

	2009	2008
Gross margin	33.4%	33.5%
Operating margin	2.19%	5.34%
Pre-tax return on average shareholder's equity	9.2%	25.5%
Shareholder's equity (£000s)	21,450	20,922
Sales per employee (£000s)	149	160

Development of the Business

In the financial year, shareholder's equity improved from £20,922,000 to £21,450,000. This is accounted for as follows:

	2009 £'000	2008 £'000
Opening shareholder's equity	20,922	18,309
Net profit for the year after tax	1,350	3,457
	<hr/> 22,272	<hr/> 21,766
Dividends paid	(822)	(844)
Closing shareholder's equity	<hr/> 21,450	<hr/> 20,922

The return on average capital employed was 7.9% (2008 – 23.1%).
Dividend cover was 1.6X (2008 – 4.1X).

Capital expenditure

During the year the company spent £1,598,121 (2008 - £1,689,434) 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 £21,450,000 (2008 - £20,922,000).

At the year end, the company had net current assets of £15,190,000 (2008 - £14,589,000).

Cash and bank balances at the year end were £8,769,000 (2008 - £6,615,000).

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:

	2009	2008
Accident incident ratio (accidents per 1,000 staff)	23	17
Lost time injury ratio (reportable accidents per 1,000 staff)	2	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. 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 556 to 540.

PROPOSED DIVIDEND

The directors recommend the payment of a final dividend of £20.55 per share (2008 - £20.55).

An interim dividend of £nil per share (2008 - £6.99) was paid during the year.

DIRECTORS

The directors who held office during the year are as follows:

A W K Merriam (Chairman)
D J Smith (Managing Director)
M J Tidmarsh
A Gamble
P D Slade
A P Haughton
K J Athersuch (resigned 31st October 2008)

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 14.

POLITICAL DONATIONS

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

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 LLP 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


A P Haughton
Director

96 Hendford Hill
Yeovil
Somerset
BA20 2QR

Date: 15th September 2009

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 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 2009 which comprise the Profit & Loss Account, the Balance Sheet and the related notes 1 to 23. 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 Section 495 and 496 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 5, 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 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/UKNP.

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 2009 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.

I Cooper
Senior Statutory Auditor, for and on behalf of
NEXIA SMITH & WILLIAMSON LLP
Chartered Accountants and Statutory Auditor
Bristol
BS1 6NA
Date: 15th September 2009



BRADFORDS BUILDING SUPPLIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2009

	Note	2009	2008
		£'000	£'000
Turnover	2	80,429	89,170
Cost of sales		(53,581)	(59,237)
Gross profit		26,848	29,933
Distribution costs		(21,201)	(22,107)
Administrative expenses - normal		(3,493)	(3,064)
- exceptional cost	5	(393)	-
- total		(3,886)	(3,064)
Operating profit	2	1,761	4,762
Interest payable	6(a)	(90)	(41)
Interest receivable	6(b)	275	285
Profit on ordinary activities before taxation		1,946	5,006
Taxation on profit on ordinary activities	7	(596)	(1,549)
Retained profit for the financial year	18	1,350	3,457

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

All operations are classed as continuing.

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

BRADFORDS BUILDING SUPPLIES LIMITED**BALANCE SHEET
AS AT 30 APRIL 2009**

		2009		2008	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9		769		832
Tangible assets	10		6,727		6,498
Investments	11		2		2
			<u>7,498</u>		<u>7,332</u>
Current assets					
Stocks	12	7,253		8,918	
Debtors	13	10,245		13,310	
Cash at bank and in hand		8,769		6,615	
		<u>26,267</u>		<u>28,843</u>	
Creditors: amounts falling due within one year	14	<u>(11,077)</u>		<u>(14,254)</u>	
Net current assets			<u>15,190</u>		<u>14,589</u>
Total assets less current liabilities			<u>22,688</u>		<u>21,921</u>
Creditors: amounts falling due after more than one year	15		(982)		(703)
Provisions for liabilities and charges	16		(256)		(296)
Net assets			<u>21,450</u>		<u>20,922</u>
Capital and reserves					
Called up share capital	17		40		40
Other reserves			2		2
Profit and loss account	18		21,408		20,880
Shareholders' funds	19		<u>21,450</u>		<u>20,922</u>

These financial statements were approved by the board of directors on 15th September 2009 and were signed on its behalf by:



A P Haughton
Director

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

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009

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. Income is recognised at the point that goods are despatched to customers.

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:

Leasehold Land and buildings	-	over life 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 deducting a provision for slow moving and obsolete stock.

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.

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (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.

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (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):	2009	2008
	£'000	£'000
Auditors' remuneration (including expenses):		
- audit work	24	30
- non audit work	7	3
Depreciation written off tangible fixed assets:		
Owned assets	869	1,083
Leased assets	213	162
Amortisation of goodwill	63	63
Property leasing costs	715	812
Profit on sale of fixed assets	(43)	(16)

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:

	2009	2008
	No	No
Sales and distribution	451	467
Administration	89	89
	<u>540</u>	<u>556</u>

The aggregate payroll costs of these persons were as follows:

	2009	2008
	£'000	£'000
Wages and salaries	12,081	12,358
Social security costs	1,030	1,049
Other pension costs	584	561
	<u>13,695</u>	<u>13,968</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (CONTINUED)

4 EMOLUMENTS OF DIRECTORS

	2009	2008
	£'000	£'000
Directors' emoluments	411	506
Company contributions to money purchase scheme in relation to directors' pensions	16	15
	<u>427</u>	<u>521</u>

Five directors are accruing pension benefits under the group's defined benefits scheme (2008: six directors) and three directors (2008: three directors) are also accruing pension benefits under money purchase schemes.

The emoluments, excluding pension contributions, of the highest paid director were £127,000 (2008: £161,000) and the company's contributions to money purchase schemes in respect of this director were £16,000 (2008: £15,000).

The accrued pension of the highest paid director, arising from the defined benefit scheme, at year end was £19,000 (2008: £14,000).

5 EXCEPTIONAL COST

	2009	2008
	£'000	£'000
Reorganisation cost	<u>393</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

	2009	2008
	£'000	£'000
Hire purchase interest payable	<u>90</u>	<u>41</u>

6(b) INTEREST RECEIVABLE

	2009	2008
	£'000	£'000
On bank balance	<u>275</u>	<u>285</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (CONTINUED)

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

a) UK corporation tax on profits for the year

	2009	2008
	£'000	£'000
Current tax		
UK corporation tax at 28.00% (2008 – 30%)	657	1,536
Adjustment relating to earlier years	(21)	-
	<u>636</u>	<u>1,536</u>
Deferred tax (note 16)		
Origination and reversal of timing differences	(49)	32
Adjustments in respect of prior periods	9	(19)
	<u>596</u>	<u>1,549</u>

b) Factors affecting the tax charge for the period

The UK standard rate of corporation tax is 28.00% (2008: 29.84%), whereas the amount of tax assessed for the year ended 30 April 2009 as a percentage of profit before tax is 32.7% (2008: 30.7%). The reasons for this difference are explained below:

	2009	2008
	%	%
Standard rate of corporation tax in UK	28.0	29.8
Effects of:		
Expenses not deductible for tax purposes – fixed assets	1.4	-
Expenses not deductible for tax purposes	1.9	1.5
Capital allowances for the period in excess of depreciation	0.5	(0.6)
Short term timing differences	<u>2.0</u>	<u>-</u>
	<u>33.8</u>	<u>30.7</u>
Adjustments to tax charge in respect of previous periods	<u>(1.1)</u>	<u>-</u>
Current tax rate for the period	<u>32.7</u>	<u>30.7</u>

c) Factors affecting future tax charges

There are capital losses in the region of £nil (2008 - £27,000) that may be relieved against chargeable gains arising in future periods.

8 DIVIDENDS

	2009	2008
	£'000	£'000
Interim dividend paid: £nil per share (2008: £6.992 per share)	-	280
Dividend paid: £20.55 per share (2008: £14.11 per share)	<u>822</u>	<u>564</u>
	<u>822</u>	<u>844</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (CONTINUED)

9 INTANGIBLE FIXED ASSETS

	Goodwill
Cost	£'000
At 1 May 2008 and 30 April 2009	1,261
Amortisation	
At 1 May 2008	429
Charge for the year	63
At 30 April 2009	492
Net book value	
At 30 April 2009	769
At 30 April 2008	832

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

10 TANGIBLE FIXED ASSETS

	Land and buildings	Plant, equipment and vehicles	Total
Cost	£'000	£'000	£'000
At 1 May 2008	2,133	11,715	13,848
Additions	485	988	1,473
Disposals	-	(561)	(561)
Intra-group transfers out	-	(349)	(349)
Intra-group transfers in	-	111	111
At 30 April 2009	2,618	11,904	14,522
Depreciation			
At 1 May 2008	363	6,987	7,350
Charge for year	104	978	1,082
On disposals	-	(431)	(431)
Intra-group transfers out	-	(305)	(305)
Intra-group transfers in	-	99	99
At 30 April 2009	467	7,328	7,795
Net book value			
At 30 April 2009	2,151	4,576	6,727
At 30 April 2008	1,770	4,728	6,498

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 2009 (CONTINUED)

10 TANGIBLE FIXED ASSETS (continued)

Included within the net book value of £6,727,000 (2008: £6,498,000) is £1,549,000 (2008: £1,079,000) relating to assets held under hire purchase and finance lease agreements. The depreciation charged in the year in respect of these assets amounted to £213,000 (2008: £162,000).

11 FIXED ASSET INVESTMENTS

	Trade investments (unquoted) £'000
Cost at 1 May 2008 and 30 April 2009	2

12 STOCKS

	2009 £'000	2008 £'000
Goods for resale	7,178	8,831
Consumables	75	87
	<u>7,253</u>	<u>8,918</u>

13 DEBTORS

	2009 £'000	2008 £'000
Trade debtors	8,661	11,073
Amounts owed by parent and fellow subsidiaries	164	18
Other debtors and prepayments	1,420	2,219
	<u>10,245</u>	<u>13,310</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (CONTINUED)

14 CREDITORS: Amounts falling due within one year

	2009	2008
	£'000	£'000
Trade creditors	8,652	10,605
Amounts owed to parent and fellow subsidiaries	484	542
Corporation tax	277	825
Other taxes and social security	613	929
Other creditors and accruals	744	1,134
Obligations under hire purchase agreements	307	219
	<u>11,077</u>	<u>14,254</u>

15 CREDITORS: Amounts falling due after more than one year

	2009	2008
	£'000	£'000
Obligations under hire purchase agreements	<u>982</u>	<u>703</u>
	<u>982</u>	<u>703</u>

Future commitments under hire purchase agreements are as follows:

	2009	2008
	£'000	£'000
Amounts payable within 1 year	307	219
Amounts payable between 2 and 5 years	802	610
Amounts payable over 5 years	<u>180</u>	<u>93</u>
	<u>1,289</u>	<u>922</u>

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

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (CONTINUED)

16 DEFERRED TAX

	2009	2008
	£'000	£'000
Accelerated capital allowances	303	305
Other timing differences	(47)	(9)
Full provision	<u>256</u>	<u>296</u>
	2009	2008
	£'000	£'000
Provision at 1 May 2008	296	283
Deferred tax charge in profit and loss	(40)	13
Provision at 30 April 2009	<u>256</u>	<u>296</u>

17 CALLED UP SHARE CAPITAL

	2009	2008
	£'000	£'000
Authorised, allotted, called up and fully paid 40,000 ordinary shares of £1 each	<u>40</u>	<u>40</u>

18 PROFIT AND LOSS ACCOUNT

	2009	2008
	£'000	£'000
Balance brought forward	20,880	18,267
Retained profit for the year	1,350	3,457
Dividends paid	(822)	(844)
	<u>21,408</u>	<u>20,880</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (CONTINUED)

19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009	2008
	£'000	£'000
Profit for the financial year	1,350	3,457
Equity dividends paid	(822)	(844)
	<u>528</u>	<u>2,613</u>
Opening Shareholders' funds	<u>20,922</u>	<u>18,309</u>
Closing Shareholders' funds	<u>21,450</u>	<u>20,922</u>

20 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 2009 amounted to £3,580,000 (2008: £4,493,000).

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 2009 is £5,000,000 (2008: £5,033,000).

21 CAPITAL COMMITMENTS

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

	2009	2008
	£'000	£'000
Contracted but not provided in the financial statements	<u>39</u>	<u>382</u>

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

	2009	2008
	£'000	£'000
Operating leases which expire:		
Over five years	<u>703</u>	<u>703</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (CONTINUED)

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

FRS 17 Disclosures

The last full actuarial valuation was undertaken on 6 April 2007. An updated valuation at 30 April is obtained for the purposes of the group accounts each year. The major assumptions used by the actuary to calculate the scheme liabilities in accordance with FRS17 are:

	2009	2008	2007
	%	%	%
Rate of increase in pensionable salaries	4.25	4.60	4.10
Rate of increase in pensions in payment and deferred provisions (Pre 2005)	3.17	3.45	3.05
(Post 2005)	2.23	2.30	2.20
Discount rate	6.80	6.40	5.50
Inflation assumption	3.25	3.60	3.10

The assumptions used in determining the overall expected return of the scheme have been set with reference to yields available on government bonds and appropriate risk margins.

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

	2009	Long term expected rate of return	2008	Long term expected rate of return	2007	Long term expected rate of return
	Value	%	Value	%	Value	%
	£'000		£'000		£'000	
Equities	6,362	7.08	12,770	7.20	13,424	7.40
Bonds	7,222	6.80	7,427	6.40	7,003	5.50
Indexed linked gilts	2,350	4.58	2,401	4.70	1,990	4.90
Diversified growth fund	4,517	7.08	-	-	-	-
Cash	39	0.25	875	4.75	487	5.00
	<u>20,490</u>		<u>23,473</u>		<u>22,904</u>	

The net liabilities included in the group balance sheet were:

	2009	2008	2007
	£'000	£'000	£'000
Total fair value of scheme assets	20,490	23,473	22,904
Present value of scheme liabilities	(23,736)	(24,765)	(25,599)
Deficit in the scheme	(3,246)	(1,292)	(2,695)
Related deferred tax	909	362	809
Net pension liability	<u>(2,337)</u>	<u>(930)</u>	<u>(1,886)</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (CONTINUED)

22 PENSION COMMITMENTS (CONTINUED)

	2009	2008
a) Analysis of the amount charged to operating profit	£'000	£'000
Current service cost	407	387
Total operating charge	407	387
b) Analysis of the amount charged to other finance income	£'000	£'000
Expected return on pension scheme assets	1,552	1,506
Interest on pension scheme liabilities	(1,576)	(1,418)
Net return	(24)	88
c) Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses	£'000	£'000
Actual return less expected return on pension scheme assets	(4,612)	(1,718)
Experience gains and losses arising on the scheme liabilities	(69)	281
Changes in assumptions underlying the present value of the scheme liabilities	2,389	1,711
Actuarial (loss)/gain	(2,292)	274
d) Movement in deficit during the year	£'000	£'000
Deficit in scheme at the beginning of the year	(1,292)	(2,695)
Movement in the year:		
Current service costs	(407)	(387)
Contributions	769	1,428
Other finance (cost)/income	(24)	88
Actuarial (loss)/gain	(2,292)	274
Deficit in scheme at end of the year	(3,246)	(1,292)

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009 (CONTINUED)

22 PENSION COMMITMENTS (CONTINUED)

		2009	2008
e)	Movement in fair value of scheme assets during the year	£'000	£'000
	Opening fair value of scheme assets	23,473	22,904
	Expected return on scheme assets	1,552	1,506
	Actuarial losses	(4,612)	(1,718)
	Employer contributions	769	1,428
	Member contributions	229	232
	Benefits paid	(921)	(879)
	Closing fair value of scheme assets	20,490	23,473

		2009	2008	2007	2006	2005
f)	History of experience gains and losses					
	Difference between the expected and actual return on scheme assets					
	Amount (£'000)	(4,612)	(1,718)	(594)	3,106	205
	Percentage of scheme assets	(22.5)	(7.3)	(2.6)	14.2	1.2
	Experience gains and losses on scheme liabilities					
	Amount (£'000)	(69)	281	31	(103)	(1,284)
	Percentage of the present value of the scheme liabilities	(0.3)	1.2	0.1	(0.4)	(6.0)
	Total amount recognised in Statement of Total Recognised Gains and Losses:					
	Amount (£'000)	(2,292)	274	(1,089)	2,076	(2,770)
	Percentage of the present value of the scheme liabilities	(9.7)	1.1	(4.3)	8.6	(12.9)

23 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.