

REGISTERED NUMBER 278994

BRADFORDS BUILDING SUPPLIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 APRIL 2010



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BRADFORDS BUILDING SUPPLIES LIMITED

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BRADFORDS BUILDING SUPPLIES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2010

COMPANY INFORMATION

Directors

A W K Merram (Chairman)
D J Smith (Managing Director)
M J Tidmarsh
A Gamble
P D Slade
A P Haughton

Registered office

98 Hendford Hill
Yeovil
Somerset
BA20 2QT

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 2010

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

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.

TRADING REVIEW

Demand was significantly reduced for the year as we traded through the recession. Sales were once again seriously affected not only by the downturn but also by adverse weather during January and February, before finally seeing an improvement in March and April. The profitability of the Company was maintained despite the loss of revenue as we benefitted from the cost control measures that had been implemented in the prior year.

In addition, the continued focus on management of working capital enabled us to achieve a much improved and very sound cash position.

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

	2010	2009
Gross margin	33.3%	33.4%
Operating margin	3.82%	2.19%
Pre-tax return on average shareholder's equity	13.0%	9.2%
Shareholder's equity (£000s)	22,651	21,450
Sales per employee (£000s)	150	149

Development of the Business

In the financial year, shareholder's equity improved from £21,450,000 to £22,651,000. This is accounted for as follows:

	2010	2009
	£	£
Opening shareholders equity	21,450	20,922
Net profit for the year after tax	2,023	1,350
	<u>23,473</u>	<u>22,272</u>
Dividends paid	(822)	(822)
Closing shareholders equity	<u>22,651</u>	<u>21,450</u>

The return on average capital employed was 12.0% (2009 – 7.9%).

Dividend cover was 2.5X (2009 – 1.6X).

Capital expenditure

During the year the company spent £390,000 (2009 - £1,598,000) 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 £22,651,000 (2009 - £21,450,000)

At the year end, the company had net current assets of £17,100,000 (2009 - £15,190,000)

Cash and bank balances at the year end were £12,257,000 (2009 - £8,769,000)

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

	2010	2009
Accident ratio (accidents per 1,000 staff)	21	23
Lost time injury ratio (reportable accidents per 1,000 staff)	3	2

Human Resources

We have a company philosophy that clearly sets out the importance we attach to acting with integrity, fairness and consistency. This philosophy is a key part of induction training and is regularly brought to the attention of staff thereafter. 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 540 to 486.

PROPOSED DIVIDEND

The directors recommend the payment of a final dividend of £100.00 per share (2009 - £20.55).

An interim dividend of £nil (2009 - £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
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.

POLITICAL DONATIONS

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

Nexia Smith & Williamson LLP resigned as auditors as of 30 April 2010. Nexia Smith & Williamson Audit Limited, which trades as Nexia Smith & Williamson, has been appointed as 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



AP Houghton
Director

98 Hendford Hill
Yeovil
Somerset
BA20 2QR

Date 8th September 2010

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 2010 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 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 2010 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
Chartered Accountants and Statutory Auditor

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date 8th September 2010

BRADFORDS BUILDING SUPPLIES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 2010

	Note	2010 £'000	2009 £'000
TURNOVER	2	72,908	80,429
Cost of sales		<u>(48,604)</u>	<u>(53,581)</u>
GROSS PROFIT		24,304	26,848
Distribution costs		(18,710)	(21,201)
Administrative expenses - normal		(2,808)	(3,493)
- exceptional cost	5	<u>-</u>	<u>(393)</u>
- total		<u>(2,808)</u>	<u>(3,886)</u>
OPERATING PROFIT	2	2,786	1,761
Interest payable	6(a)	(37)	(90)
Interest receivable	6(b)	127	275
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,876</u>	<u>1,946</u>
Tax on profit on ordinary activities	7	(853)	(596)
PROFIT FOR THE YEAR	18	<u>2,023</u>	<u>1,350</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 2010

	Note	2010 £'000	2009 £'000
FIXED ASSETS			
Intangible assets	9	706	769
Tangible assets	10	5,947	6,727
Investments	11	<u>2</u>	<u>2</u>
		6,655	7,498
CURRENT ASSETS			
Stocks	12	6,723	7,253
Debtors	13	9,949	10,245
Cash at bank and in hand		<u>12,257</u>	<u>8,769</u>
		28,929	26,267
CREDITORS Amounts falling due within one year	14	<u>(11,829)</u>	<u>(11,077)</u>
NET CURRENT ASSETS		17,100	15,190
TOTAL ASSETS LESS CURRENT LIABILITIES		23,755	22,688
CREDITORS Amounts falling due after more than one year			
Provisions for liabilities and charges	15	(869)	(982)
	16	<u>(235)</u>	<u>(256)</u>
		22,651	21,450
CAPITAL AND RESERVES			
Called-up equity share capital	17	40	40
Other reserves		2	2
Profit and loss account	18	<u>22,609</u>	<u>21,408</u>
SHAREHOLDERS' FUNDS	19	<u>22,651</u>	<u>21,450</u>

These financial statements were approved by the directors and authorised for issue on 8th September 2010 and are signed on their behalf by

A W K Mernam
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 2010

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 2010 (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.

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 2010 (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)

	2010 £'000	2009 £'000
Depreciation written off tangible fixed assets		
Owned assets	867	869
Leased assets	268	213
Amortisation of goodwill	63	63
Property leasing costs	708	715
Other leasing costs	166	132
Auditors' remuneration (including expenses)		
Audit services	36	24
Non audit services	2	7
Profit on sale of fixed assets	(13)	(43)

3 STAFF NUMBERS AND COSTS

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

	2010 No	2009 No
Sales and distribution	398	451
Administration	88	89
	<u>486</u>	<u>540</u>

The aggregate payroll costs of the above were

	2010 £'000	2009 £'000
Wages and salaries	10,161	12,081
Social security costs	880	1,030
Other pension costs	568	584
	<u>11,609</u>	<u>13,695</u>

4 EMOLUMENTS OF DIRECTORS

	2010 £'000	2009 £'000
Directors' emoluments	355	411
Company contributions to money purchase scheme in relation to directors' pensions	10	-
	<u>365</u>	<u>411</u>

As at the year end there were no directors accruing benefits under the group's defined benefits scheme (2009 five directors) and three directors (2009 three directors) are accruing pension benefits under money purchase schemes

The emoluments, excluding pensions contributions, of the highest paid director were £125,000 (2009 £127,000) and the company's contributions to money purchase scheme in respect of this director were nil (2009 £nil)

The accrued pension of the highest paid director, arising from the defined benefit scheme, at year end was £19,000 (2009 £19,000)

The emoluments of two of the directors were not paid through Bradfords Building Supplies Limited during 2009/10, 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 2010 (continued)

5 EXCEPTIONAL COST

	2010	2009
	£'000	£'000
Reorganisation cost	-	393

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

	2010	2009
	£'000	£'000
Hire purchase agreements	37	90

6(b) INTEREST RECEIVABLE

	2010	2009
	£'000	£'000
On bank balance	127	275

7 TAXATION ON ORDINARY ACTIVITIES

a) UK corporation tax on profits for the year

	2010	2009
	£'000	£'000
Current tax		
UK corporation tax at 28.0% (2009 - 28.0%)	911	657
Adjustments relating to earlier years	(37)	(21)
	874	636
Deferred tax (note 16)		
Origination and reversal of timing differences	(47)	(49)
Adjustments relating to earlier years	26	9
	853	596

b) Tax charge reconciliation

	2010	2009
	%	%
Standard rate of corporation tax	28.0	28.0
Effects of		
Expenses not deductible for tax purposes - fixed assets	1.0	1.4
Expenses not deductible for tax purposes	1.0	1.9
Depreciation in excess of Capital Allowances	1.7	0.5
Other short term timing differences	-	2.0
Adjustments to tax charge in respect of previous periods	(1.3)	(1.1)
	30.4	32.7

8 DIVIDENDS

	2010	2009
	£'000	£'000
Interim dividend paid £nil (2009 - £nil per share)	-	-
Final dividend paid £20.55 (2009 - £20.55 per share)	822	822
	822	822

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

9 INTANGIBLE FIXED ASSETS

	Goodwill
Cost	£'000
At 1 May 2009 and 30 April 2010	<u>1,261</u>
Amortisation	
At 1 May 2009	492
Charge for the year	63
At 30 April 2010	<u>555</u>
Net book value	
At 30 April 2010	<u>706</u>
At 30 April 2009	<u>769</u>

10 TANGIBLE FIXED ASSETS

	Leasehold land and buildings	Plant, equipment and vehicles	Total
Cost or valuation	£'000	£'000	£'000
At 1 May 2009	2,618	11,904	14,522
Additions	266	110	376
Intra-group transfers in	-	14	14
Intra-group transfers out	-	(182)	(182)
Disposals	-	(443)	(443)
At 30 April 2010	<u>2,884</u>	<u>11,403</u>	<u>14,287</u>
Depreciation			
At 1 May 2009	467	7,328	7,795
Charge for the year	120	1,015	1,135
Intra-group transfers in	-	12	12
Intra-group transfers out	-	(177)	(177)
Disposals	-	(425)	(425)
At 30 April 2010	<u>587</u>	<u>7,753</u>	<u>8,340</u>
Net book value			
At 30 April 2010	<u>2,297</u>	<u>3,650</u>	<u>5,947</u>
At 30 April 2009	<u>2,151</u>	<u>4,576</u>	<u>6,727</u>

Included within the net book value of £5,947,000 (2009 £6,727,000) is £1,560,000 (2009 £1,549,000) 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 (2009 £213,000).

11 FIXED ASSET INVESTMENTS

	Trade Investments (unquoted)
Cost	£'000
At 1 May 2009 and 30 April 2010	<u>2</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

12 STOCK

	2010	2009
	£'000	£'000
Goods for resale	6,651	7,178
Raw materials and consumables	72	75
	<u>6,723</u>	<u>7,253</u>

13 DEBTORS

	2010	2009
	£'000	£'000
Trade debtors	8,607	8,661
Amounts owed by group undertakings	170	164
Other debtors and prepayments	1,172	1,420
	<u>9,949</u>	<u>10,245</u>

14 CREDITORS Amounts falling due within one year

	2010	2009
	£'000	£'000
Trade creditors	8,654	8,652
Amounts owed to group undertakings	353	484
Corporation tax	874	277
Other tax and social security	828	613
Other creditors and accruals	785	744
Obligations under finance leases and hire purchase contracts	335	307
	<u>11,829</u>	<u>11,077</u>

15 CREDITORS. Amounts falling due after more than one year

	2010	2009
	£'000	£'000
Obligations under finance leases and hire purchase contracts	<u>869</u>	<u>982</u>

Financial liabilities are due for repayment as follows

	2010	2009
	£'000	£'000
Due within one year	335	307
Between 2 and 5 years	769	802
Over 5 years	100	180
	<u>1,204</u>	<u>1,289</u>

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

16 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

	2010	2009
	£'000	£'000
Accelerated capital allowances	281	303
Other timing differences	(46)	(47)
Full provision	<u>235</u>	<u>256</u>

	2010	2009
	£'000	£'000
Provision at 1 May 2009	256	296
Deferred tax charge in the profit and loss	(21)	(40)
Provision at 30 April 2010	<u>235</u>	<u>256</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

17 CALLED UP SHARE CAPITAL

	2010 £'000	2009 £'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

	2010 £'000	2009 £'000
At 1 May 2009	21,408	20,880
Retained profit for the year	2,023	1,350
Dividends paid	(822)	(822)
At 30 April 2010	<u>22,609</u>	<u>21,408</u>

19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £'000	2009 £'000
Profit for the financial year	2,023	1,350
Equity dividends paid	(822)	(822)
	<u>1,201</u>	<u>528</u>
Opening Shareholders' funds	21,450	20,922
Closing Shareholders' funds	<u>22,651</u>	<u>21,450</u>

20 COMMITMENTS - OPERATING LEASES

Annual commitments under operating leases are as follows

	2010 £'000	2009 £'000
Land and buildings		
Expiring In five years or more	<u>743</u>	<u>703</u>
Other		
Expiring Between two and five years	<u>177</u>	<u>174</u>

21 CAPITAL COMMITMENTS

Capital commitments at the end of the financial year

	2010 £'000	2009 £'000
Contracted but not provided in the financial statements	<u>-</u>	<u>39</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 2010 amounted to £7,834,000 (2009 £3,580,000).

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 2010 is £5,000,000 (2009 £5,000,000).

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

23 PENSION COMMITMENTS

During the year consultations have been 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 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 financial statements each year. The major assumptions used by the actuary to calculate the scheme liabilities in accordance with FRS17 are:

	2010 %	2009 %	2008 %
Rate of increase in pensionable salaries	n/a	4.25	4.60
Rate of increase in pensions in payment			
Inflation linked, max 5% pa, min 0% pa	3.39	3.17	3.45
Inflation linked, max 3% pa, min 0% pa	2.64	2.55	n/a
Inflation linked, max 2.5% pa, min 0% pa	2.29	2.23	2.30
Discount rate	5.50	6.80	6.40
Inflation assumption	3.50	3.25	3.60

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:

	2010 Value £'000	2010 Long term expected rate of return %	2009 Value £'000	2009 Long term expected rate of return %	2008 Value £'000	2008 Long term expected rate of return %
Equities	8,601	7.1	6,362	7.1	12,770	7.2
Bonds	8,940	5.5	7,222	6.8	7,427	6.4
Diversified growth fund	5,891	7.1	2,350	4.6	2,401	4.7
Indexed linked gilts	2,607	4.6	4,517	7.1	-	-
Cash	26	0.3	39	0.3	875	4.7
	<u>26,065</u>		<u>20,490</u>		<u>23,473</u>	

The net liabilities included in the group balance sheet were:

	2010 £'000	2009 £'000	2008 £'000
Total fair value of scheme assets	26,065	20,490	23,473
Present value of scheme liabilities	<u>(32,148)</u>	<u>(23,736)</u>	<u>(24,765)</u>
Deficit in the scheme	(6,083)	(3,246)	(1,292)
Related deferred tax	1,703	909	362
Net pension liability	<u>(4,380)</u>	<u>(2,337)</u>	<u>(930)</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

23 PENSION COMMITMENTS (Continued)

	2010 £'000	2009 £'000
a) Analysis of the amount charged to operating profit		
Current service cost	290	407
Total operating charge	<u>290</u>	<u>407</u>
	£'000	£'000
b) Analysis of the amount charged to finance (cost) / income		
Expected return on pension scheme assets	1,368	1,552
Interest on pension scheme liabilities	(1,587)	(1,576)
Net cost	<u>(219)</u>	<u>(24)</u>
	£'000	£'000
c) Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses		
Actual return less expected return on the scheme assets	4,241	(4,612)
Experience gains and losses on the scheme liabilities	-	(69)
Changes in assumptions underlying the present value of the scheme liabilities	(7,635)	2,389
Actuarial loss	<u>(3,394)</u>	<u>(2,292)</u>
	£'000	£'000
d) Movement in the deficit in the year		
Deficit in the scheme at the beginning of the year	(3,246)	(1,292)
Movement in the year		
Current service costs	(290)	(407)
Contributions	732	769
Other finance cost	(219)	(24)
Actuarial loss	(3,394)	(2,292)
Curtailment gain	334	-
Deficit in the scheme at the end of the year	<u>(6,083)</u>	<u>(3,246)</u>
	£'000	£'000
e) Movement in FV of scheme assets		
Opening fair value of scheme assets	20,490	23,473
Expected return on scheme assets	1,368	1,552
Actuarial gain / (loss)	4,241	(4,612)
Employer contributions	732	769
Member contributions	225	229
Benefits paid	(991)	(921)
Closing fair value of scheme assets	<u>26,065</u>	<u>20,490</u>

BRADFORDS BUILDING SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

23 PENSION COMMITMENTS (Continued)

	2010	2009	2008	2007	2006
History of experience gains and losses					
Difference between the expected and actual return on scheme assets					
Amount (£'000)	4,241	(4,612)	(1,718)	(594)	3,106
Percentage of scheme assets	16.3	(22.5)	(7.3)	(2.6)	14.2
Experience gains and losses on scheme liabilities					
Amount (£'000)	-	(69)	281	31	(103)
Percentage of the present value of scheme liabilities	-	(0.3)	1.2	0.1	(0.4)
Total amount recognised in the Statement of Total Recognised Gains and Losses					
Amount (£'000)	(3,394)	(2,292)	274	(1,089)	2,076
Percentage of the present value of scheme liabilities	(10.6)	(9.7)	1.1	(4.3)	8.6

24 RELATED PARTY TRANSACTIONS

Advantage has been taken in these financial statements of the exemption under Financial Reporting Standard 8 from providing details of related party transactions with group companies

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

The following page does not form part of the audited financial statements

BRADFORDS BUILDING SUPPLIES LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2010

	2010 £'000	2009 £'000
TURNOVER	72,908	80,429
COST OF SALES	(48,604)	(53,581)
GROSS PROFIT	<u>24,304</u>	<u>26,848</u>
OVERHEADS		
Wages and salaries	11,042	13,112
Pension contributions	568	584
Lorry depreciation	394	340
Lorry running costs	1,560	1,714
Car depreciation	101	145
Car running costs	389	399
Rates	793	756
Rent payable	2,332	2,281
Light, heat and power	296	295
Repairs and renewals	492	393
General depreciation	641	697
Advertising	108	340
Printing and stationery	267	274
Postage	114	122
Telephone charges	105	138
Recruiting and training	61	82
Miscellaneous expenses	799	966
Insurance	197	168
Legal expenses	10	194
Trade subscriptions	23	31
Professional fees	63	97
Profit on disposal of fixed assets	(13)	(43)
Computer charges	864	1,170
Audit and accountancy	40	18
Bad debts	100	501
Interest receivable	(128)	(275)
Hire purchase interest payable	37	90
Management charges	110	250
Goodwill amortisation	63	63
	<u>(21,428)</u>	<u>(24,902)</u>
PROFIT ON ORDINARY ACTIVITIES	<u>2,876</u>	<u>1,946</u>