

BRADFORDS BUILDING SUPPLIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
30 APRIL 2002

REGISTERED NUMBER: 278994



BRADFORDS BUILDING SUPPLIES LIMITED

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2002.

PRINCIPAL ACTIVITIES AND LIKELY FUTURE DEVELOPMENTS

The principal activity of the company during the year was that of merchanting building materials and timber. The directors anticipate that the business will continue to trade in the same manner in the coming year.

During the year the company purchased certain of the assets and liabilities of Bradley Home Improvement Services, details are given on page 18.

BUSINESS REVIEW

The results for the year are given in the profit and loss account on page 5.

PROPOSED DIVIDEND

The directors recommend the payment of a dividend of £15.00 per share (2001 - £12.50).

DIRECTORS AND DIRECTORS' INTERESTS

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

P S Bradford (Chairman)
D J Smith (Managing Director)
S P J Bradford
M J David
M J Tidmarsh
A Gamble
P D Slade
S P Love
B Wozencroft

The interests of Mr P S Bradford and Mr S P J Bradford in the share capital of the group of which this company is a member are disclosed in the financial statements of the ultimate parent company, Bradford and Sons Limited. Mr S P Love had the following shareholdings in the ultimate parent company: 375 5% preference shares, 3,200 £1 ordinary shares and 1,988 £1 'A' ordinary shares. None of the other directors had any interests in the shares of group companies during the year.

EURO

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

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.

DIRECTORS' REPORT (Continued)

AUDITORS

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

By order of the Board



K J Athersuch
Secretary

96 Hendford Hill
Yeovil
Somerset
BA20 2QT

18 September 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

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 2002 set out on pages 5 to 18. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

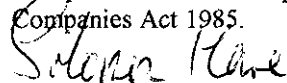
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Solomon Hare
Chartered Accountants
Registered Auditors
Oakfield House
Oakfield Grove
Clifton
Bristol BS8 2BN

18 September 2002

BRADFORDS BUILDING SUPPLIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2002

	Note	2002 £	2001 £
Turnover	2		
Continuing operations		60,445,836	53,099,135
Acquisitions		630,524	-
		<u>61,076,360</u>	<u>53,099,135</u>
Cost of sales		(42,087,373)	(37,616,932)
Gross profit		<u>18,988,987</u>	<u>15,482,203</u>
Distribution costs		(14,238,415)	(12,133,631)
Administrative expenses - normal		(2,286,276)	(1,975,355)
- exceptional	3	-	(428,872)
		<u>-</u>	<u>(428,872)</u>
Operating profit	4		
Continuing operations		2,467,606	1,777,866
Acquisitions – before exceptional items		(3,310)	(404,649)
Acquisitions – exceptional items		-	(428,872)
Operating profit		<u>2,464,296</u>	<u>944,345</u>
Interest receivable	7	67,220	28,372
Profit on ordinary activities before taxation		<u>2,531,516</u>	<u>972,717</u>
Taxation on profit on ordinary activities	8	(791,872)	(301,473)
Profit on ordinary activities after taxation		<u>1,739,644</u>	<u>671,244</u>
Dividend proposed	9	(600,000)	(500,000)
Retained profit for the financial year	19	<u>1,139,644</u>	<u>171,244</u>

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

The notes on page 7 to 18 form part of these financial statements

BRADFORDS BUILDING SUPPLIES LIMITED**BALANCE SHEET
AS AT 30 APRIL 2002**

	Note	2002	2001
		£	£
Fixed assets			
Intangible assets	10	1,160,314	649,249
Tangible assets	11	3,242,268	2,711,621
Investments	12	31,773	31,773
		<u>4,434,355</u>	<u>3,392,643</u>
Current assets			
Stocks	13	6,187,232	5,619,745
Debtors	14	8,850,743	8,105,458
Cash at bank and in hand		9,956	879,628
		<u>15,047,931</u>	<u>14,604,831</u>
Creditors: amounts falling due within one year	15	<u>(10,597,251)</u>	<u>(10,229,479)</u>
Net current assets		<u>4,450,680</u>	<u>4,375,352</u>
Total assets less current liabilities		<u>8,885,035</u>	<u>7,767,995</u>
Creditors: amounts falling due after more than one year	16	(60,822)	(83,426)
Provisions for liabilities and charges	17	-	-
Net assets		<u>8,824,213</u>	<u>7,684,569</u>
Capital and reserves			
Called up share capital	18	40,000	40,000
Other reserves	19	2,100	2,100
Profit and loss account	19	8,782,113	7,642,469
Equity shareholders' funds		<u>8,824,213</u>	<u>7,684,569</u>

These financial statements were approved by the board of directors on 18 September 2002 and were signed on its behalf by:

P S Bradford
Director



The notes on page 7 to 18 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002****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.

Depreciation

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

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

Pension costs

The company is a member of a group pension scheme covering certain employees providing benefits based on final pensionable pay. The assets of the scheme are held in a separate trustee administered fund. Contributions to the scheme are based on pensions costs across the group as a whole and are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The group also operates a defined non-contributory executive pension scheme and a stakeholder scheme.

Stocks

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

Taxation

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

During the year, the company has adopted FRS19 "Deferred Tax". The previous policy provided for deferred tax to the extent that it was likely to become payable in the foreseeable future in accordance with SSAP15 "Accounting for Deferred Tax". The change in accounting policy is to make full provision for certain deferred tax assets and liabilities.

This has not had a material impact on the taxation charge for the period and has not required the restatement of the results for prior periods.

Investments

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (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 agreements

Assets held under hire purchase 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.

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.

2 ANALYSIS OF TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover represents the amounts (excluding value added tax) receivable for goods and services supplied to customers during the year.

All of the turnover and profit of the company arises from the sale of building materials and timber referred to in the directors' report. All sales were made to customers in the United Kingdom.

3 EXCEPTIONAL ITEMS – ADMINISTRATIVE EXPENSES

	2002	2001
	£	£
Re-organisation costs incurred in respect of acquisitions	-	428,872

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (CONTINUED)****4 OPERATING PROFIT**

	2002	2001
	£	£
Operating profit is stated after charging/crediting:		
Auditors' remuneration (including expenses)		
- audit work	23,000	27,255
- non audit work	23,650	15,318
Depreciation – owned assets	830,883	670,766
Depreciation – leased assets	14,419	16,514
Property lease rentals	306,000	231,286
Profit on disposal of fixed assets	(8,364)	(10,380)

Cost of sales for the acquired activities during the year ended 30 April 2002 were £464,598, distribution costs were £132,153 and administrative expenses were £37,083.

5 EMOLUMENTS OF DIRECTORS

	2002	2001
	£	£
Directors' emoluments:		
As directors	489,435	389,276
Company contributions to money purchase scheme in relation to directors' pensions	10,656	10,140

Seven directors are accruing pension benefits under the group's defined benefits scheme (2001: Seven directors). One director (2001: one director) is accruing pension benefits under the money purchase scheme (the executive pension scheme).

The emoluments of the highest paid director were £111,152 (2001: £84,426) and the company's contributions to the money purchase scheme in respect of this director were £10,656 (2001: £10,140).

The accrued pension of the highest paid director, arising from the defined benefit scheme at year end was £3,488 (2001: £2,328).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (CONTINUED)****6 STAFF NUMBERS AND COSTS**

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

	2002	2001
	No	No
Administration	75	67
Sales and distribution	408	364
	<u>483</u>	<u>431</u>

The aggregate payroll costs of these persons were as follows:

	2002	2001
	£	£
Wages and salaries	8,109,798	6,863,396
Social security costs	602,534	544,394
Other pension costs	365,797	216,870
	<u>9,078,129</u>	<u>7,624,660</u>

7 INTEREST RECEIVABLE

	2002	2001
	£	£
On bank balance	<u>67,220</u>	<u>28,372</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (CONTINUED)**

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The company has adopted FRS 19, Deferred Tax in the current year. This has not required a restatement of the results for prior periods.

a) UK corporation tax on profits for the year

	2002	As restated 2001
	£	£
Current tax		
UK corporation tax at 30% (2000 – 30%)	790,846	282,000
Adjustment relating to earlier years	17,027	19,473
	<u>807,873</u>	<u>301,473</u>
Deferred taxation (note 18)		
Origination and reversal of timing differences	(16,001)	-
	<u>791,872</u>	<u>301,473</u>
	2002	2001
	%	%

b) Tax charge reconciliation

The standard rate of corporation tax	30	30
Effects of:		
Expenses not deductible	1	1
Capital allowances (in excess of)/less than depreciation	-	(1)
Adjustments to tax charge in respect of previous periods	-	1
	<u>31</u>	<u>31</u>

9 DIVIDENDS

	2002	2001
	£	£
Proposed dividend: £15.00 per share		
(2001: £12.50 per share)	<u>600,000</u>	<u>500,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (CONTINUED)**

10 INTANGIBLE FIXED ASSETS

	Total £
Costs	
At beginning of year	666,639
Additions	544,397
At end of year	1,211,036
Amortisation	
At beginning of year	17,390
Charge for period	33,332
At end of year	50,722
Net book value at 30 April 2002	1,160,314
Net book value at 30 April 2001	649,249

11 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery and vehicles £	Total £
Cost			
At beginning of year	53,126	6,396,016	6,449,142
Acquisitions	-	104,500	104,500
Additions	93,316	1,251,789	1,345,105
Disposals	-	(482,065)	(482,065)
Intra-group transfers	-	(74,508)	(74,508)
At end of year	146,442	7,195,732	7,342,174
Depreciation			
At beginning of year	39,265	3,698,255	3,737,520
Charge for year	2,591	842,441	845,032
Acquisitions	-	-	-
On disposals	-	(418,443)	(418,443)
Intra-group transfers	-	(64,203)	(64,203)
At end of year	41,856	4,058,050	4,099,906
Net book value			
At 30 April 2002	104,586	3,137,682	3,242,268
At 30 April 2001	13,861	2,697,760	2,711,621

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (CONTINUED)**

11 TANGIBLE FIXED ASSETS (Continued)

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

Included within the net book value of £3,242,268 (2001: £2,711,621) is £52,218 (2001: £73,693) relating to assets held under hire purchase and finance lease agreements. The depreciation charged in the year in respect of these assets amounted to £14,419 (2001: £16,514).

12 FIXED ASSET INVESTMENTS

	Shares in subsidiaries (unquoted)	Trade investments (unquoted)	Total Investments
	£	£	£
Cost as at 1 May 2001 and 30 April 2002	30,200	1,573	31,773

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

B R Slade Limited Dormant company

Group financial statements are not submitted as the company is a wholly owned subsidiary of Bradford and Sons Limited, which is registered in Great Britain and prepares consolidated financial statements. The financial statements therefore give information about the company as an individual undertaking and not about its group. In the opinion of the directors, the investment in the company's subsidiary is worth at least the amount at which it is stated in the balance sheet.

13 STOCKS

	2002	2001
	£	£
Goods for resale	6,159,757	5,598,417
Sundry stock	27,475	21,328
	<u>6,187,232</u>	<u>5,619,745</u>

14 DEBTORS

	2002	2001
	£	£
Debtors due within one year:		
Trade debtors	8,047,370	7,300,529
Amounts owed by parent and fellow subsidiaries	13,061	97,867
Sundry debtors and prepayments	774,311	707,062
Deferred tax (note 17)	16,001	-
	<u>8,850,743</u>	<u>8,105,458</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (CONTINUED)**

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Bank overdraft	1,405,758	-
Trade creditors	6,656,554	6,350,727
Amounts owed to parent and fellow subsidiaries	290,271	2,095,915
Other taxes and social security	522,881	411,465
Other creditors and accruals	689,385	789,347
Hire purchase agreements	19,251	22,110
Corporation tax	413,151	59,915
Proposed dividend	600,000	500,000
	<u>10,597,251</u>	<u>10,229,479</u>

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Amount owed to subsidiary company	30,200	30,200
Hire Purchase agreements	30,622	53,226
	<u>60,822</u>	<u>83,426</u>

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

Financial liabilities are due for repayment as follows:

	2002	2001
	£	£
Due within one year	19,251	22,110
Between 1 and 2 years	19,251	20,186
Between 2 and 5 years	11,371	33,040
	<u>49,873</u>	<u>75,336</u>

17 DEFERRED TAX

	2002	As restated 2001
	£	£
Deferred tax (asset)/liability		
Accelerated capital allowances	106,042	98,260
Other timing differences	(122,043)	(98,260)
Full provision (note 14)	<u>(16,001)</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (CONTINUED)**

17 DEFERRED TAX (Continued)

	2002	As restated 2001
	£	£
(Asset)/ provision at 1 May 2001	-	-
Deferred tax (credit)/ charge in profit and loss	(16,001)	-
(Asset)/ provision at 30 April 2002	(16,001)	-

18 CALLED UP SHARE CAPITAL

	2002	2001
	£	£
Authorised, allotted, called up and fully paid 40,000 ordinary shares of £1 each	40,000	40,000

19 RESERVES

	Profit & loss account	General reserve
	£	£
At 1 May 2001	7,642,469	2,100
Retained profit for the year	1,139,644	-
At 30 April 2002	8,782,113	2,100

20 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	1,739,644	671,244
Dividend	(600,000)	(500,000)
Net increase in shareholders' funds	1,139,644	171,244
Shareholders' funds at 1 May 2001	7,684,569	7,513,325
Shareholders' funds at 30 April 2002	8,824,213	7,684,569

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (CONTINUED)****21 CONTINGENT LIABILITIES**

There is a cross guarantee in place between the company and its fellow group companies to secure the bank overdrafts, which at 30 April 2002 amounted to £nil (2001: £2,527,454).

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 2002 is £2,500,000 (2001: £1,750,000).

During the year, the company received a claim for compensation of £220,000 from a customer. Whilst the company continues discussions with this party, the company does not believe that the claim can be substantiated and accordingly no specific provision has been made in the accounts.

22 COMMITMENTS

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

	2002	2001
	£	£
Contracted for but not provided	133,730	136,906

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

	2002	2001
	£	£
Operating leases which expire:		
Within one year	-	-
Within two to five years	-	-
Over five years	311,800	306,000
	<u>311,800</u>	<u>306,000</u>

23 PENSION SCHEME

The company is a member of the group operated pension scheme covering the majority of employees providing benefits based on final pensionable pay. The assets of the scheme are held in a separate trustee administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group. The contributions are determined by a qualified actuary on the basis of the triennial valuations using the projected unit method.

In accordance with the actuary's advice contained in the valuation at 6 April 2001, the company has charged an increased rate of funding from 1 May 2001 in the financial statements representing 13.7% of pensionable salaries (previously 9.6% of pensionable salaries). The actuary's valuation revealed a surplus in the group scheme of £848,000 which represents an MFR funding level of 102.5%. This is being written back to the group profit and loss account over 16 years, being the average remaining service lives of current employees in the scheme.

The most recent valuation of the scheme was at 6 April 2001. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions. It was assumed that investment returns would be 6.5% per annum, that salary increases would average 4.5% per annum and that future pensions increase at the rate of 2.5% per annum. The market value of the scheme assets at 5 April 2002 was £14,758,000 (2001: £14,186,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (CONTINUED)**

23 PENSION SCHEME (Continued)

The scheme was closed to new members from 1 April 2002. Under the projected unit method the current service cost will increase as the members of the scheme approach retirement.

The group also operates a defined contribution non-contributory executive pension scheme which is much smaller than the main scheme. The charge for the year in the financial statements of the company was £10,656 (2001: £10,142).

Financial Reporting Standard 17 – Retirement Benefits was issued in the year. This standard includes transitional arrangements which require certain balance sheet disclosures to be made this year, principally the pension scheme assets and liabilities at fair value. The scheme assets are valued at market value and the liabilities are estimated by the actuary using the projected unit method.

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

The major assumptions used by the actuary to calculate the scheme liabilities at 30 April 2002 in accordance with FRS17 are:

	2002 %
Rate of increase in salaries	4.75
Rate of increase in pensions in payment and deferred provisions	2.75
Discount rate	6.00
Inflation assumption	2.75

The fair value of assets in the scheme and the expected rate of return at 30 April 2002 were:

	Long expected rate of return %	Value £'000
UK Equities	7.5	7,588
Overseas Equities	7.5	3,808
Fixed interest	5.25	1,950
Cash	Bank base less 0.5%	1,008
		<u>14,354</u>

The following amounts at 30 April 2002 were measured in accordance with the requirements of FRS17:

	2002 £'000
Total market value of assets	14,354
Present value of scheme liabilities	<u>(14,695)</u>
Deficit in the scheme	<u>(341)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002 (CONTINUED)****24 ACQUISITION**

During the year the company purchased certain of the assets and liabilities of Bradley Home Improvement Services. Details are as follows:

	Book value	Fair value adjustment	Fair value
	£	£	£
Assets acquired:			
Fixed assets	104,500	-	104,500
Stock	235,843	(20,000)	215,843
Trade debtors	80,998	-	80,998
Other creditors and accruals	(1,366)	-	(1,366)
Fair value of net assets acquired	419,975	(20,000)	399,975
Consideration:			
Cash paid			887,976
Capitalised costs associated with acquisition			56,396
Fair value of consideration paid			944,372
Goodwill			544,397

No information is provided on the pre acquisition trading as this is not available since only certain assets and liabilities were purchased from Bradley Home Improvement Services.

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 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.