Registered no 34239

Brintons Limited

Directors' report and financial statements

for the year ended 4 July 2009

Company registration number

34239

Chairman

Andrew Walker

Non-executive directors

Michael Brinton	Honorary President
Julian Brinton	
Catharine Brinton-Hope	
Diarmid Glencairn Campbell	
Andrew Neubauer	
Terry Stannard	

Executive directors

Harry Reilly	Managing Director
Peter Johansen	Finance Director

Secretary

David Smith

Registered office

Exchange Street
Kidderminster
Worcestershire
DY10 1AG

Auditor

KPMG LLP

Tax advisor

PricewaterhouseCoopers LLP

Principal Banker

Lloyds Banking Group plc

Directors' Report
for the year ended 4 July 2009

The Directors present their report and the audited consolidated financial statements for the year ended 4 July 2009

Principal activity

The Group and Company's principal activity is the production, distribution and sale of high quality floor coverings

Results and dividends

The consolidated loss for the financial year after taxation amounted to £8,577,000 (2008 profit of £1,040,000) Before taxation, the consolidated loss for the financial year amounted to £9,086,000 (2008 profit of £535,000)

The Directors do not recommend the payment of a final dividend Dividends paid in the year amounted to £236,000 (2008 £472,000)

Review of the business and future developments

In common with most businesses, Brintons' results have been adversely affected by the global economic downturn and turnover fell by 13 2% to £87 3m which pushed the Group into a loss making situation Steps were taken throughout the Group to reduce costs and to generate cash Included within the £5 4m operating loss are a number of significant costs incurred this year due to the unexpected severity of the economic downturn These include £2 1m of redundancy and reorganisation costs to re-size the business and £488,000 of bad debt provisions made following the withdrawal of credit insurance cover from many of our customers

The Group remains committed to its strategy of opening a new factory in China and developing its '651' loom technology with £1 6m expensed as part of the operating loss on these two projects last year Construction began in September 2008 of a 16,500m² factory in Suzhou and the building was completed and handed over early in February 2010 for the installation of production equipment The first phase of the China project represents an investment of circa £17 9m to provide a LEED accredited modern, low cost manufacturing facility of which £9 0m has been incurred to date

These strategic initiatives are designed to significantly improve the company's competitiveness in the medium term However they will be pursued in the context of our trading losses and the need to vigorously control costs and cash in the short term

Despite the operating loss incurred during the year, the Group generated £4.1m of cash from its operating activities and net Group borrowings at the year end were only £3 5m after funding £9 2m of capital expenditure.

High interest costs were incurred during the year owing to £2 6m of foreign exchange losses arising from the sudden collapse in value of sterling against the US Dollar

Brintons was the first carpet manufacturing company in the UK to be awarded the Carbon Trust Award in 2006 and the Group achieved the ISO 14001 environmental accreditation for all of its principal sites during 2008/09

During the year the Company purchased the trade and certain assets of WOCLA Realisations Limited (formerly Wool Classics Limited) for cash The Wool Classics business provides high quality products to the interior designer market and the acquisition complements and strengthens the William Brintons market position Details of the acquisition are given at note 11

A number of key performance indicators (KPI's) are used in the business Non-financial KPI's are focused on delivering high levels of customer satisfaction, introducing new products and services which meet the needs of our customers, ensuring operational effectiveness and attracting, retaining and developing key employees Financial KPI's focus on profit growth, profitability improvement, inventory management, cash generation, future borrowing requirements and return on operating assets

Trading conditions in the current year remain challenging but the Group is trading in line with the Board's expectations

The Group will continue to pursue its principal activity for the foreseeable future

Going concern

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Business risks

In the Directors' opinion, the principal risks and uncertainties facing the business relate to

- the current uncertainties over the global economic recession and the impact this will have on trading conditions worldwide,
- its ability to maintain market share, particularly in the face of growing competition from low-cost producers in an increasingly global marketplace,
- the exchange rate between the US dollar and the British pound because a strong dollar is to the benefit of the Group's results which are reported in sterling,
- the continuity of supply of raw materials within the global supply chain, particularly of wool and yarn, and
- the UK defined benefit pension scheme deficit

Research and development

The Group continues to invest in methods of improving production efficiency, product quality and differentiation

Political and charitable contributions

During the year, the Group made political contributions of £nil (2008 £ nil) and various charitable contributions totalling £9,000 (2008 £9,000)

Directors and their interests

The Directors, who served throughout the year, unless indicated otherwise, are as follows

M A C Brinton*	Honorary President
J B T Brinton*	
C E Brinton-Hope*	
D C B Glencairn Campbell*	
P J S Johansen	
E A C Neubauer*	
H N Reilly	Managing Director
T G Stannard*	
A J Walker*	Chairman

* non-executive directors

The interests of the Directors in office at the end of the financial year in the shares of Brintons Limited were as follows

Ordinary shares in Brintons Limited	**At 4 July 2009 or subsequent date of appointment**		At 5 July 2008 or subsequent date of appointment	
	'A' Ordinary shares of 25p each	**'B' Ordinary shares of £1 each**	'A' Ordinary shares of 25p each	'B' Ordinary shares of £1 each
Beneficial interests:	***No.***	***No.***	*No*	*No*
M A C Brinton	**401,762**	**55,918**	401,762	55,918
J B T Brinton	**168,574**	**58,587**	168,574	58,587
C E Brinton-Hope	**298,029**	**74,741**	298,029	74,741
D C B Glencairn Campbell	**530,216**	**190,738**	530,216	190,738
H N Reilly	**-**	**855**	-	855
	1,398,581	**380,839**	1,398,581	380,839
Non-beneficial interests:				
D C B Glencairn Campbell	**77,518**	**24,224**	77,518	24,224
	1,476,099	**405,063**	1,476,099	405,063

Save as stated herein, none of the Directors has any interest in the shares of the Company or of any other Group company

Employment policies

The Company is concerned that all of its employees, wherever they are in the world, are treated with due respect and dignity Discrimination of any form will not be tolerated and this includes discrimination or harassment on the grounds of sex, race, disability, age and religion or belief Family friendly and equal opportunities policies are followed

The Directors regard the involvement, participation and training of employees to be of great importance Management takes every opportunity to inform employees of Group developments and encourage them to be aware of the performance of the Group Employees are encouraged to discuss with management matters of interest to the employee

Employee briefings and action review meetings, at all levels of responsibility, provide the necessary information flow in both directions Health, safety and environmental matters are discussed at regular meetings with actions being proposed and monitored

Applications for employment from disabled people are given full and fair consideration bearing in mind the aptitudes and abilities of each person in relation to the requirements of the job Opportunities also exist for employees of the Group who become disabled to continue in their employment or to be trained for other positions in the Group Disabled people have the same training, career development and promotion opportunities as all other employees

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that period In preparing each of the group and parent company financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 Group and the parent company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming annual general meeting

By order of the Board

D J Smith
Secretary
26 February 2010

Independent Auditors' Report to the Members of Brintons Limited

We have audited the financial statements of Brintons Limited for the year ended 4 July 2009 set out on pages 7 to 32 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 web-site 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 Group's and the parent company's affairs as at 4 July 2009 and of the Group's loss for the year then ended,
- have been properly prepared in accordance with UK 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

G Neale

Graham Neale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants, 1 Snowhill, Snowhill Queensway, Birmingham B4 6GH
1 March 2010

Consolidated Profit and Loss Account for the year ended 4 July 2009

	Notes	2009 Continuing operations			2008 (restated) Continuing operations		
		Underlying £'000	Redundancy & reorganisation £'000	Total £'000	Underlying £'000	Redundancy & reorganisation £'000	Total £'000
Turnover	2	**87,343**	**-**	**87,343**	100,621	-	100,621
Operating costs							
Australian restructuring		**-**	**(685)**	**(685)**	-	(2,305)	(2,305)
Other redundancy & reorganisation costs		**-**	**(1,394)**	**(1,394)**	-	(1,268)	(1,268)
Manufacturing strategy implementation costs		**(1,603)**	**-**	**(1,603)**	(818)	-	(818)
Bad debts		**(488)**	**-**	**(488)**	(47)	-	(47)
Other operating costs		**(88,616)**	**-**	**(88,616)**	(96,060)	-	(96,060)
Total operating costs	3	**(90,707)**	**(2,079)**	**(92,786)**	(96,925)	(3,573)	(100,498)
Operating (loss)/ profit		**(3,364)**	**(2,079)**	**(5,443)**	3,696	(3,573)	123
Provision against consideration receivable on disposal of business				**(151)**			-
Profit on disposal of property				**-**			213
(Loss)/profit on ordinary activities before interest				**(5,594)**			336
Net interest (payable)/receivable	5			**(3,492)**			199
(Loss)/profit on ordinary activities before tax				**(9,086)**			535
Taxation	9			**509**			505
(Loss)/profit on ordinary activities after tax, and for the financial year	18			**(8,577)**			1,040

Consolidated Statement of Total Recognised Gains and Losses for the year ended 4 July 2009

	Notes	2009		2008	
		£'000	**£'000**	£'000	£'000
(Loss)/profit for the financial year			**(8,577)**		1,040
Net exchange gains on retranslation of subsidiary undertakings and related borrowings		**2,031**		412	
Actuarial (losses)/gains	21				
Company defined benefit pension scheme		**(2,160)**		(6,078)	
Company post-retirement medical benefit scheme		**1**		46	
Company ex-gratia pension scheme		**17**		8	
Australian defined benefit pension scheme		**(165)**		-	
Taxation	9	**519**		1,687	
	18		**243**		(3,925)
Total recognised gains and losses relating to the financial year			**(8,334)**		(2,885)

Balance Sheets
at 4 July 2009

	Notes	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Fixed assets					
Tangible assets	11	**28,094**	22,037	**11,566**	13,717
Investments	12	-	-	**17,231**	9,210
		28,094	22,037	**28,797**	22,927
Current assets					
Stocks	13	**15,239**	20,152	**11,250**	16,426
Debtors	14	**14,265**	16,412	**14,002**	12,938
Cash at bank and in hand		**4,902**	5,196	**2,059**	2,770
		34,406	41,760	**27,311**	32,134
Creditors: amounts falling due within one year	15	**(21,513)**	(15,189)	**(24,036)**	(15,793)
Net current assets		**12,893**	26,571	**3,275**	16,341
Total assets less current liabilities		**40,987**	48,608	**32,072**	39,268
Creditors: amounts falling due after more than one year	15	**(192)**	(157)	-	-
Provisions	16	**(109)**	(430)	-	(1,296)
Net assets excluding pension liabilities		**40,686**	48,021	**32,072**	37,972
Pension liabilities	21	**(10,306)**	(9,071)	**(10,115)**	(9,071)
Net assets including pension liabilities		**30,380**	38,950	**21,957**	28,901
Capital and reserves					
Called up share capital	17	**4,025**	4,025	**4,025**	4,025
Profit and loss account	18	**26,355**	34,925	**17,932**	24,876
Equity shareholders' funds	18	**30,380**	38,950	**21,957**	28,901

The financial statements on pages 7 to 32 were approved by the board of directors on 26 February 2010 and signed on its behalf by

Peter Johansen
Director

Consolidated Cash Flow Statement for the year ended 4 July 2009

	Notes	2009 £'000	2009 £'000	2008 (restated) £'000	2008 (restated) £'000
Net cash inflow from operating activities	19(a)		**4,183**		4,629
Returns on investment and servicing of finance					
Interest received		**126**		213	
Interest (paid)		**(483)**		(218)	
Arrangement fee on credit facilities		**(175)**		-	
Foreign exchange (losses) / gains		**(2,633)**		454	
			(3,165)		449
Taxation					
Overseas tax (paid)			**(424)**		(92)
Capital expenditure					
Purchase of tangible fixed assets	11	**(9,221)**		(1,371)	
Receipts from sales of tangible fixed assets					
Exceptional		**-**		1,671	
Normal		**113**		30	
			(9,108)		330
Acquisitions and disposals					
Acquisition of Wool Classics	11	**(100)**		-	
Deferred consideration received (Brintons Christchurch Yarns Limited)		**226**		-	
			126		-
Equity dividends paid	10		**(236)**		(472)
Cash (outflow)/inflow before financing			**(8,624)**		4,844
Financing					
Loans raised	20		**8,127**		73
Capital element of leases repaid	20		**(11)**		(55)
(Decrease)/increase in cash in the year	19(b)		**(508)**		4,862

Notes to the Financial Statements for the year ended 4 July 2009

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and in accordance with the historical cost convention The financial statements are for a 52-week period (2008 53-weeks)

Exchange gains and losses relating to monetary assets and liabilities denominated in foreign currencies are included with interest payable (previously reported in operating profit) The comparative gain for 2008 was £454,000, there is no impact on Profit Before Tax

Basis of consolidation

The consolidated financial statements comprise the accounts of the Company and its subsidiary undertakings made up to 4 July 2009

Where the accounting reference date of a subsidiary undertaking is 31 March, a statutory reporting pack for the 52 weeks to 4 July has been used in the consolidation

The acquisition method of accounting has been adopted Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2

The current economic conditions create uncertainty over (a) the level of demand for the Group's products (b) the exchange rate between sterling and the US dollar, and (c) the availability of bank finance in the foreseeable future

The Group has agreed facilities with its banks The principal facility with Lloyds Banking Group is agreed and due for renewal in June 2011 Since the year end, the Group has also negotiated significant additional bank facilities in Portugal and India

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group and Company should be able to operate within the level of its current facilities Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Goodwill

Purchased goodwill (both positive and negative) arising on consolidation in respect of acquisitions before 28 June 1998, when FRS10 'Goodwill and Intangible Assets' was adopted, was written off to reserves in the year of acquisition When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

1 Principal accounting policies (continued)

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 28 June 1998 is capitalised Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life subject to a maximum of 20 years

On the subsequent disposal or termination of a business acquired since 28 June 1998, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill

Fixed asset investments

Investments in subsidiary undertakings are generally stated at original cost However, where the investments are denominated in foreign currency and hedged by foreign currency borrowings they are re-translated at closing exchange rates Provision is made for diminutions in value

Depreciation of tangible fixed assets

The cost less estimated residual value of fixed assets, other than freehold land and assets in the course of construction, is depreciated by equal instalments over the expected useful life of the assets as follows

Freehold buildings	- 20-40 years
Leasehold buildings	- 40 years or the lease term if shorter
Motor cars	- 4 years
Commercial vehicles	- 10 years
Plant and equipment	- 3-10 years

Freehold land and assets in the course of construction are not depreciated

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable

Foreign currencies

Company

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction or at the rate of exchange of the related forward currency contract Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate All gains and losses on translation are included in the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves, together with the exchange difference on the carrying amount of the related investments

Group

The profit and loss accounts of overseas subsidiary undertakings are consolidated at average exchange rates The assets and liabilities of overseas subsidiary undertakings are translated at year-end exchange rates in accordance with the closing rate method

Other translation differences taken to reserves include differences on foreign currency borrowings, to the extent they are used to finance or provide a hedge against Group equity investments in foreign enterprises

1 Principal accounting policies (continued)

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate

Retirement benefits

Defined contribution schemes

The pension costs charged to the profit and loss account represent the amount of the contributions payable to the schemes in respect of the accounting period

Defined benefit schemes

Pension scheme assets are measured at market values The liabilities of pension schemes and other post-retirement benefits are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability The pension scheme deficit is recognised in full The movement on the scheme deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses

The gross deficit in the balance sheet is net of deferred tax where appropriate The Group's principal defined benefit pension scheme was closed to future accruals on 30 June 2006

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items Cost includes all costs incurred in bringing each product to its present location and condition, as follows

Raw materials and consumables	-	purchase cost on a first in, first out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Research and development

Research and development expenditure is written off as incurred

Deferred taxation

Deferred taxation is recognised (without discounting), in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19 'Deferred Tax'

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company

1 Principal accounting policies (continued)

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease

2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the Group exclusive of VAT and net of trade discounts Turnover is solely attributable to the Group's principal activity

In the opinion of the Directors, an analysis of turnover by geographical destination would be seriously prejudicial to the interests of the Group for commercial reasons and therefore no disclosure has been made

3 Operating expenses

	2009	2008
	£'000	£'000
Change in stocks of finished goods & work in progress	**4,228**	1,011
Other operating income	**(205)**	(394)
Raw materials and consumables	**18,225**	25,195
Other external charges	**7,710**	7,872
Staff costs (note 7)	**34,332**	40,128
Depreciation of tangible fixed assets	**3,272**	3,741
Other operating charges	**25,224**	22,716
	92,786	100,498

4 Operating profit

This is stated after charging		**2009 £'000**	2008 £'000
Research and development expenditure		**390**	364
Operating lease rentals	- plant and machinery	**120**	113
	- land and buildings	**591**	454
		711	567
Government grants	- amortisation of capital grants	**(2)**	(207)
	- revenue grants receivable	**(33)**	(43)
		(35)	(250)

Auditors' remuneration	Fees borne by the Group		Fees borne by Group pension schemes	
	2009 £'000	2008 £'000	**2009 £'000**	2008 £'000
Audit of these financial statements	**77**	87	-	-
Audit of financial statements of subsidiaries pursuant to legislation	**68**	71	-	-
Other services relating to taxation	-	2	-	-
Valuation and actuarial services	-	11	**24**	32
All other services	**2**	7	**192**	143
	147	178	**216**	175

5 Net interest payable/(receivable)

	2009 £'000	2008 (restated) £'000
Interest payable and similar charges		
Interest on bank loans and overdrafts	**474**	267
Other loans	**6**	2
Net interest charge/(credit) on retirement benefit schemes*	**370**	(109)
Finance charges payable under finance leases & hire purchase contracts	**6**	5
Other interest payable and similar charges	**8**	3
Exchange losses / (gains)	**2,537**	(173)
Loan arrangement fees	**175**	-
Other interest receivable and similar income		
Bank interest	**(62)**	(145)
Other interest receivable and similar income	**(22)**	(49)
Net interest payable/(receivable)	**3,492**	(199)

* FRS17 the difference between the long-term expected return on the scheme assets and the expected increase in the present value of the scheme liabilities is as follows

	Defined benefit pension schemes Company (note 21)	Australian scheme	Post-retirement medical benefits	Ex-gratia pensions	Total
2009:	£'000	£'000	£'000	£'000	£'000
Long-term expected return on the scheme assets	(3,475)	(54)	-	-	(3,529)
Expected increase in the present value of the scheme liabilities	3,815	46	33	5	3,899
Net interest payable/(receivable)	340	(8)	33	5	370
2008:	£'000	£'000	£'000	£'000	£'000
Long-term expected return on the scheme assets	(3,750)	-	-	-	(3,750)
Expected increase in the present value of the scheme liabilities	3,600	-	36	5	3,641
Net interest payable/(receivable)	(150)	-	36	5	(109)

6 Directors' emoluments

	2009	2008
Total emoluments (excluding pension contributions)	**£'000**	£'000
Emoluments and benefits	**530**	553
Pension contributions		
Company contributions paid to defined contribution pension schemes	**93**	92
		No
Number of directors who were members of defined contribution pension schemes at year end	**2**	2
Highest paid director		
Emoluments and benefits (excluding pension contributions)	**200**	215
Company contributions paid to defined contribution pension scheme	**53**	55

The amount of the annual pension that would be payable to the highest paid director, under the Company's defined benefit pension scheme, when he reached normal pension age if he left the Company's service at the end of the financial year is £27,612 p a (2008 highest paid director - £26,292 p a)

7 Staff costs

	2009	2008 (restated)
Staff costs (which includes Directors' remuneration) were as follows	**£'000**	£'000
Wages and salaries*	**30,136**	35,633
Social security costs	**2,606**	3,111
Other pension costs (amounts within operating profit)		
UK – defined contribution schemes	**1,268**	1,250
- post-retirement medical costs	**-**	(22)
Overseas schemes	**322**	156
	34,332	40,128

* includes redundancy costs of £1,167,000 (2008 1,268,000) and Australian restructuring costs of £nil (2008 £1,636,000)

	No.	No
The monthly average number of employees during the year were		
Production	**1,351**	1,515
Sales, marketing, distribution and design	**346**	356
Engineering and technology	**35**	60
Administration and finance	**126**	131
	1,858	2,062

8 Profits of holding company

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the Company for the year is not presented as part of these accounts The loss after tax of the Company was £5,110,000 (2008 loss of £163,000)

9 Taxation

(a) Analysis of (credit)/charge in the year	**2009** **£'000**	**2009** **£'000**	2008 £'000	2008 £'000
Profit and loss account:				
Current tax charges/(credits)				
UK corporation tax on profits of the year		**-**		-
Overseas tax on profits of the year	**245**		197	
Overseas tax adjustments in respect of previous years	**32**		(48)	
		277		149
Total current tax charge		**277**		149
Deferred taxation (note 16)				
Origination and reversal of timing differences	**(1,188)**		(1,031)	
Effect of reduced tax rate on opening liability	**64**		23	
Adjustment in respect of prior year	**147**		26	
		(977)		(982)
Deferred taxation (retirement benefits)				
Origination and reversal of timing differences	**191**		328	
Effect of reduced tax rate on opening liability	**-**		-	
		191		328
Tax on profit on ordinary activities		**(509)**		(505)
Statement of total recognised gains and losses:				
Deferred taxation				
Origination and reversal of timing differences		**(519)**		(1,687)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date

(b) Factors affecting current tax charge for year

The tax assessed for the year is different to the standard rate of corporation tax in the UK (28%) The differences are explained below	**2009** **£'000**	2008 £'000
Loss on ordinary activities before tax	**(9,086)**	535
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 29 5%)	**(2,544)**	158
Effects of		
Expenses not deductible for tax purposes	**119**	68
Current year tax losses/(utilisation of tax losses)	**2,729**	152
Gains on capital disposals/(eliminated by indexation)	**131**	(85)
Effect of overseas tax rates	**(33)**	(102)
Differences between depreciation and capital allowances	**496**	562
Short term timing differences (UK defined benefit pension schemes)	**(190)**	(328)
Other short term timing differences	**(463)**	(228)
Adjustments to tax charge in respect of previous years	**32**	(48)
Current tax charge for year	**277**	149

9 Taxation (continued)

(c) Factors that may affect future tax charges

The Group has tax losses available to carry forward of approximately £21 0m (2008 £11 3m) which have not been recognised as deferred tax assets

The Group has operations in India which emerged from a tax holiday on 01 April 2009 and became taxable at a headline rate of tax of 34% from that date

(d) Tax impact of exceptional loss

The tax effect of the £151,000 provision against consideration receivable on the disposal of the Group's yarn spinning business in New Zealand is nil because the Group has chosen not to recognise the capital loss in deferred taxation

10 Dividends

	2009	2008
Equity dividends paid on 'A' and 'B' ordinary shares	**£'000**	£'000
Relating to 2006/07 financial year		
2nd interim at 5 86%, paid 6 July 2007	-	236
3rd interim at 5 86%, paid 5 October 2007	-	236
Relating to 2007/08 financial year		
Final at 5 86%, paid 14 November 2008	**236**	-
	236	472

11 Tangible fixed assets

Group	Land & buildings Freehold £'000	Short leasehold £'000	Vehicles, plant & equipment (owned) £'000	Vehicles, plant & equipment (leased) £'000	Assets in course of construction £'000	Total £'000
Cost						
At 5 July 2008	17,967	367	75,211	135	932	94,612
Exchange adjustment	987	78	2,442	3	26	3,536
Reclassifications	(5)	-	(97)	(35)	137	-
Business acquired	-	-	25	-	-	25
Additions	128	8	364	22	8,699	9,221
Disposals	-	-	(3,643)	(103)	-	(3,746)
At 4 July 2009	**19,077**	**453**	**74,302**	**22**	**9,794**	**103,648**
Depreciation						
At 5 July 2008	8,530	8	63,955	82	-	72,575
Exchange adjustment	623	2	2,355	1	-	2,981
Reclassifications	211	-	(198)	(13)	-	-
Charge for year	531	9	2,727	5	-	3,272
Disposals	-	-	(3,200)	(74)	-	(3,274)
At 4 July 2009	**9,895**	**19**	**65,639**	**1**	**-**	**75,554**
Net book value						
At 4 July 2009	**9,182**	**434**	**8,663**	**21**	**9,794**	**28,094**
At 5 July 2008	9,437	359	11,256	53	932	22,037

Included in freehold land and buildings is freehold land of £1,540,000 (2008 £1,501,000) which is not depreciated

11 Tangible fixed assets (continued)

Company	Land & buildings Freehold £'000	Short leasehold £'000	Vehicles, plant & equipment (owned) £'000	Vehicles, plant & equipment (leased) £'000	Assets in course of construction £'000	Total £'000
Cost						
At 5 July 2008	11,187	-	57,074	89	175	68,525
Additions	28	-	37	-	2,324	2,389
Reclassifications	-	-	(947)	-	947	-
Business acquired	-	-	25	-	-	25
Group transfers	-	-	-	-	(2,538)	(2,538)
Disposals	-	-	(1,205)	(89)	-	(1,294)
At 4 July 2009	**11,215**	**-**	**54,984**	**-**	**908**	**67,107**
Depreciation						
At 5 July 2008	5,554	-	49,198	56	-	54,808
Charge for year	275	-	1,661	4	-	1,940
Disposals	-	-	(1,147)	(60)	-	(1,207)
At 4 July 2009	**5,829**	**-**	**49,712**	**-**	**-**	**55,541**
Net book value						
At 4 July 2009	**5,386**	**-**	**5,272**	**-**	**908**	**11,566**
At 5 July 2008	5,633	-	7,876	33	175	13,717

Included in freehold land and buildings is freehold land of £1,084,000 (2008 £1,084,000) which is not depreciated

On 2 December 2008, the business, trade and certain assets of WOCLA Realisations Limited (formerly Wool Classics Limited) were purchased for cash The acquisition is analysed as follows

Tangible assets transferred at provisional fair value	£'000
Fixed assets	25
Stock	75
Net tangible assets	100
Satisfied by	
Cash	100

12 Fixed asset investments

Company	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
Cost			
At 5 July 2009	14,046	12,424	26,470
Additions	8,744	-	8,744
Repayments	-	(2,302)	(2,302)
Exchange adjustment	(614)	2,641	2,027
At 4 July 2009	**22,176**	**12,763**	**34,939**
Provision for diminution in value			
At 5 July 2008	6,046	11,214	17,260
Provision release to profit and loss account	-	(1,939)	(1,939)
Exchange adjustment	-	2,387	2,387
At 4 July 2009	**6,046**	**11,662**	**17,708**
Net book value			
At 4 July 2009	**16,130**	**1,101**	**17,231**
At 5 July 2008	8,000	1,210	9,210

Details of principal subsidiary undertakings are as follows

Subsidiary	*Country of incorporation*	*Holding*	*Proportion of voting rights & shares held*	*Nature of Business*
Brintons US Axminster Inc*	USA	Common stock	100%	Sale of high quality Axminster woven carpet
Brintons Pty Limited	Australia	Ordinary shares	100%	Sale of high quality Axminster and Wilton woven carpet
Brintons Carpets Asia Private Limited*†	India	Ordinary shares	100%	Production and sale of high quality Axminster woven carpet
Brintons Industria de Alcatifas Limitada*	Portugal	Ordinary Shares	100%	Production of high quality Axminster woven carpet for Brintons Limited
Brintons Christchurch Yarns Limited	Australia	Ordinary shares	100%	Non trader (business sold in June 2004)
Brintons (France) SARL*	France	Ordinary shares	100%	Sale of high quality Axminster woven carpet & furnishings
Brintons Carpet Manufacturing (Suzhou) Limited	China	Registered capital	100%	*Factory under construction* Production of high quality Axminster woven carpet for Brintons Limited

* interests held directly by Brintons Limited
† accounting reference date is 31 March

All the above subsidiaries have been included in the consolidation A full list of subsidiary undertakings at 4 July 2009 will be annexed to the Company's next Annual Return

13 Stocks

	Group		Company	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Raw materials and consumables	**1,267**	1,952	**656**	1,330
Work in progress	**5,253**	6,800	**3,201**	4,530
Finished goods	**8,719**	11,400	**7,393**	10,566
	15,239	20,152	**11,250**	16,426

14 Debtors

	Group		Company	
	2009	2008	**2009**	2008
Amounts falling due within one year	**£'000**	£'000	**£'000**	£'000
Trade debtors	**11,383**	14,308	**6,496**	7,157
Amounts owed by group undertakings	**-**	-	**6,917**	4,587
Other debtors	**536**	707	**94**	148
Prepayments and accrued income	**868**	1,141	**383**	905
Corporation tax recoverable	**276**	115	**-**	-
Deferred tax (note 16)	**389**	-	**-**	-
Amounts falling due after more than one year				
Other debtors	**201**	141	**112**	141
Deferred tax (note 16)	**612**	-	**-**	-
	14,265	16,412	**14,002**	12,938

15 Creditors

	Group		Company	
	2009	2008	**2009**	2008
Amounts falling due within one year	**£'000**	£'000	**£'000**	£'000
Bank loans	**8,118**	-	**8,118**	-
Other loans	**45**	41	**-**	-
Obligations under finance leases	**5**	29	**-**	29
Payments received on account	**1,946**	1,669	**752**	-
Trade creditors	**4,312**	4,724	**3,363**	3,708
Amounts owed to group undertakings	**-**	-	**8,068**	8,115
Corporation tax	**58**	102	**-**	-
Other taxes and social security	**1,764**	2,111	**970**	1,108
Other creditors	**814**	993	**766**	722
Accruals and deferred income	**4,451**	5,520	**1,999**	2,111
	21,513	15,189	**24,036**	15,793

Amounts falling due after more than one year	**£'000**	£'000	**£'000**	£'000
Other loans	**179**	157	**-**	-
Obligations under finance leases	**13**	-	**-**	-
	192	157	**-**	-

15 Creditors (continued)

	Group		Company	
	2009	2008	**2009**	2008
Other loans (secured on the assets of a subsidiary undertaking) are due for repayment as follows	**£'000**	£'000	**£'000**	£'000
Within one year	**45**	41	-	-
Between one and two years	**179**	41	-	-
Between three and five years	-	116	-	-
	224	198	-	-

	£'000	£'000	**£'000**	£'000
Finance leases are due for repayment as follows				
Within one year	**5**	29	-	29
Between one and two years	**5**	-	-	-
Between three and five years	**8**	-	-	-
	18	29	-	29

16 Provisions

	Deferred taxation	Other provisions
Group	£'000	£'000
At 5 July 2008	52	378
Exchange adjustment	(206)	37
(Credit)/charge to profit and loss account	(977)	292
Charge to Statement of Recognised Gains & Losses	130	-
Cash paid	-	(598)
At 4 July 2009	**(1,001)**	**109**
Company	£'000	£'000
At 5 July 2008	1,096	200
(Credit) to profit and loss account	(1,226)	(200)
Charge to Statement of Recognised Gains & Losses	130	-
At 4 July 2009	**-**	**-**

Deferred taxation provided in the accounts is as follows

	Group		Company	
	2009	2008	**2009**	2008
Deferred tax (assets)/liabilities	**£'000**	£'000	**£'000**	£'000
Accelerated capital allowances	**542**	134	-	118
Other timing differences	**(503)**	(289)	-	(67)
Capital gains	-	1,050	-	1,050
Tax losses carried forward	**(1,040)**	(843)	-	(5)
	(1,001)	52	-	1,096

17 Called up share capital

	2009 & 2008	
Authorised:	*No*	**£'000**
Undesignated shares of £1 each	75,000	**75**
'A' ordinary shares of 25p each	7,155,536	**1,789**
'B' ordinary shares of £1 each	2,286,116	**2,286**
	9,516,652	**4,150**
Allotted, called up and fully paid:		
'A' ordinary shares of 25p each	7,155,536	**1,789**
'B' ordinary shares of £1 each	2,236,116	**2,236**
	9,391,652	**4,025**

The 'A' and 'B' ordinary shares rank equally in respect of voting rights, rights to dividends and their priority and rights to distributions in respect of a winding up

18 Reconciliation of shareholders' funds and movement on reserves

Group	Share capital £'000	Profit & loss account £'000	Total share-holders' funds £'000
At 1 July 2007	4,025	38,282	42,307
Profit for the year	-	1,040	1,040
Dividends	-	(472)	(472)
Other recognised net losses relating to the year	-	(3,925)	(3,925)
At 5 July 2008	4,025	34,925	38,950
Loss for the year	-	(8,577)	(8,577)
Dividends	-	(236)	(236)
Other recognised net losses relating to the year	-	243	243
At 4 July 2009	**4,025**	**26,355**	**30,380**

The cumulative amount of goodwill written off directly to consolidated reserves in relation to acquisitions in previous years is £3,356,000 (2008 £3,356,000)

Company	Share Capital £'000	Profit & loss account £'000	Total share-holders' funds £'000
At 1 July 2007	4,025	29,848	33,873
Loss for the year	-	(163)	(163)
Dividends	-	(472)	(472)
Other recognised net losses relating to the year	-	(4,337)	(4,337)
At 5 July 2008	**4,025**	**24,876**	**28,901**
Loss for the year	-	(5,110)	(5,110)
Dividends	-	(236)	(236)
Other recognised net losses relating to the year	-	(1,598)	(1,598)
At 4 July 2009	**4,025**	**17,932**	**21,957**

19 Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

Continuing activities	**2009** **£'000**	2008 (restated) £'000
Operating (loss)/profit	**(5,443)**	123
Non cash charges/(credits)		
Loss/(profit) on disposal of fixed assets	**359**	(445)
Depreciation of tangible fixed assets	**3,272**	3,741
Amortisation of goodwill	**-**	229
Amortisation of capital grants	**(2)**	(106)
Decrease in stocks	**5,307**	1,754
Decrease in debtors	**4,056**	237
(Decrease)/increase in creditors	**(1,657)**	81
(Decrease)/increase in provisions		
Pension provisions	**(1,111)**	(1,062)
Other provisions	**(598)**	77
Net cash inflow from operating activities	**4,183**	4,629

(b) Changes in net cash balances during the year

	2009 **£'000**	2008 £'000
At beginning of year	**5,196**	146
Net cash inflow/(outflow) before adjustments for the effects of foreign exchange rates	**(508)**	4,862
Effect of foreign exchange rates	**214**	188
At end of year	**4,902**	5,196

(c) Analysis of balances

	2009 **£'000**	2008 £'000	**Change in year** **£'000**	2007 £'000	2006 £'000	Change in year £'000
Cash at bank and in hand	**4,902**	5,196	**(294)**	5,196	2,737	2,459
Bank overdrafts	**-**	-	**-**	-	(2,591)	2,591
At end of year	**4,902**	5,196	**(294)**	5,196	146	5,050

(d) Reconciliation of net cash flow to movement in net debt

	2009 **£'000**	2008 £'000
(Decrease)/increase in cash	**(508)**	4,862
Cash inflow from net increase in loans and leases	**(8,116)**	(18)
(Increase)/decrease in net debt resulting from cash flows	**(8,624)**	4,844
Effect of foreign exchange rates	**197**	169
Movement in net debt	**(8,427)**	5,013
Net cash/(debt) at beginning of year	**4,969**	(44)
Net (debt)/cash at end of year	**(3,458)**	4,969

19 Notes to the consolidated cash flow statement (continued)

(e) Analysis of net cash/(debt)

	At 6 July 2008 £'000	Cash flow £'000	Exchange movts £'000	**At 5 July 2009 £'000**
Cash at bank and in hand	5,196	(508)	214	**4,902**
Loans due within one year	(41)	(8,122)	-	**(8,163)**
Loans due after more than one year	(157)	(5)	(17)	**(179)**
Net cash and loans	4,998	(8,635)	197	**(3,440)**
Leases repayable within one year	(29)	24	-	**(5)**
Leases repayable after one year	-	(13)	-	**(13)**
Net cash/(debt)	4,969	(8,624)	197	**(3,458)**

20 Analysis of changes in financing during the year

Group	**2009**		2008	
	Share capital £'000	**Loans & leases £'000**	Share capital £'000	Loans & leases £'000
Balance at beginning of year	**4,025**	**227**	4,025	190
Loans taken out – net	**-**	**8,127**	-	73
Leases repaid – net	**-**	**(11)**	-	(55)
Effect of foreign exchange rates	**-**	**17**	-	19
Balance at end of year	**4,025**	**8,360**	4,025	227

21 Retirement benefits

The Group operates a number of pension schemes throughout the world, being defined benefit and defined contribution in nature The assets of all pension schemes are held separately from those of Group companies in independently administered funds

The UK defined benefit scheme was closed to future accruals on 30 June 2006 On the same date, two UK defined contribution schemes were closed to future contributions With effect from 30 June 2007, existing members of closed schemes were offered membership of a new, defined contribution stakeholder plan, applicable to all UK employees

UK defined contribution pension schemes

The pension cost charge for the year is disclosed in 'Staff Costs' (note 7) The unpaid employers' contributions outstanding at the year-end (including amounts for salary sacrifice), included in 'Accruals and deferred income' (note 15), are £102,201 (2008 £98,834)

21 Retirement benefits (continued)

UK (& Company) defined benefit pension scheme and other post-retirement benefits

Summary of FRS 17 deficits	2009			2008		
	Gross deficit £'000	**Related deferred tax asset £'000**	**Net deficit £'000**	Gross Deficit £'000	Related deferred tax asset £'000	Net deficit £'000
UK DB pension scheme	**13,460**	**(3,769)**	**9,691**	11,968	(3,351)	8,617
UK post-retirement medical scheme	**522**	**(146)**	**376**	544	(153)	391
UK ex-gratia pension scheme	**67**	**(19)**	**48**	87	(24)	63
Australian DB pension scheme	**174**	**(52)**	**122**	-	-	-
Indian ex-gratia scheme	**69**	**-**	**69**	-	-	-
Total pension scheme liabilities	**14,292**	**(3,986)**	**10,306**	12,599	(3,528)	9,071

Based on the actuarial valuation methodology prescribed by FRS 17, a net deficit on the UK defined benefit pension scheme has been identified as follows

FRS 17 valuation of UK defined benefit pension scheme

The FRS17 valuation of the UK defined benefit pension scheme is undertaken by a qualified independent actuary based on assumptions provided by the Directors The assumptions provided by the Directors to the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice

Main assumptions	*4 July 2009*	*5 July 2008*
Rate used to discount scheme liabilities	6 5% p a	6 0% p a
Expected return on scheme assets	6 6% p a	7 1% p a
Rate of future increase in salaries	n/a	n/a
Future revaluation of pensions in deferment	3 5% p a	4 2% p a
Rate of future increase of pensions in payment (5 0% LPI)	3 3% p a	3 8% p a
Rate of future increase of pensions in payment (2 5% LPI)	2 2% p a	2 4% p a
Proportion of employees opting for early retirement	nil	nil
Mortality (current pensioners)		
Actuarial tables used	PA92YOB	PA92YOB
Male life expectancy at age 65 (yrs)	19 9	19 8
Mortality (future pensioners currently aged 45)		
Actuarial tables used	PA92YOB	PA92YOB
Male life expectancy at age 65 (yrs)	21 1	21 0

The assumptions relating to mortality underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows

- Current pensioner aged 65 19 9 years (male)
- Future retiree upon reaching 65 21 1 years (male)

21 Retirement benefits (continued)

FRS 17 valuation of UK defined benefit pension scheme (continued)

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, are as follows

Fair value and expected return on assets:	Fair value at 4 July 2009 £'000	Long-term expected rate of return %	Fair value at 5 July 2008 £'000	Long-term expected rate of return %
Equities	15,400	8 2%	20,838	9 0%
Bonds	26,957	5 6%	27,783	5 5%
Property	3,864	7 0%	4,809	7 8%
Total market value of scheme assets	46,221		53,430	
Present value of scheme liabilities	(59,681)		(65,398)	
Deficit in the scheme	(13,460)		(11,968)	
Related deferred tax asset	3,769		3,351	
Net pension liability	(9,691)		(8,617)	

	2009	2008
Amount charged to operating profit:	**£'000**	£'000
Past service cost	-	-
Analysis of amounts credited to profit and loss interest charge (note 5):	**£'000**	£'000
Expected return on pension scheme assets	**3,475**	3,750
Interest on pension scheme liabilities	**(3,815)**	(3,600)
Net return	**340**	150
Analysis of amount recognised in Statement of Total Recognised Gains & Losses (STRGL):	**£'000**	£'000
Actual return less expected return on assets	**(8,015)**	(5,130)
Experience gains and losses arising on liabilities	**(718)**	(438)
Assumption changes regarding present value of liabilities	**6,573**	(510)
Actuarial (loss) recognised in STRGL	**(2,160)**	(6,078)
Movement in market value of scheme assets during the year	**£'000**	£'000
Market value of scheme assets at beginning of year	**53,430**	57,460
Movement in year		
Expected return	**3,475**	3,750
Actuarial (loss)/gain	**(8,015)**	(5,130)
Contributions by employer	**1,008**	975
Benefits paid	**(3,677)**	(3,625)
Market value of scheme assets at end of year	**46,221**	53,430

21 Retirement benefits (continued)

FRS 17 valuation of UK defined benefit pension scheme (continued)

	2009	2008
Movement in present value of scheme liabilities during the year	**£'000**	£'000
Present value of scheme liabilities at beginning of the year	**65,398**	64,475
Movement in year		
Past service cost	**-**	-
Interest cost	**3,815**	3,600
Actuarial loss	**(5,855)**	948
Benefits paid	**(3,677)**	(3,625)
Present value of scheme liabilities at end of the year	**59,681**	65,398

History of experience gains and losses	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Actual return less expected return on assets	(8,015)	(5,130)	770	3,100	3,966
Percentage of scheme assets	*(17)%*	*(10)%*	*1%*	*6%*	*8%*
Experience gains and losses arising on liabilities	(718)	(438)	(3,017)	1,900	(900)
Percentage of present value of scheme liabilities	*(1)%*	*(1)%*	*(5)%*	*3%*	*(1)%*
Total amount recognised in STRGL	(2,160)	(6,078)	(1,357)	500	166
Percentage of present value of scheme liabilities	*(4)%*	*(9)%*	*(2)%*	*1%*	*0%*

Statutory triennial valuation of UK defined benefit scheme

The latest full actuarial valuation was carried out on 1 July 2007 and was updated for FRS 17 purposes to 4 July 2009 by a qualified independent actuary The major assumptions used in the 1 July 2007 full actuarial valuation were

Main assumptions:	
Rate of return on investments (pre-retirement)	5 7% p a
Rate of return on investments (in retirement)	5 7% p a
Pension increases	between 0 0% p a and 3 1% p a
Price inflation	3 4% p a
Market value of scheme's assets	£57 7m
Deficit in the scheme	£11 9m
Level of funding being the actuarial value of assets (using the defined accrued benefit method) expressed as a percentage of the benefits accrued to members, after allowing for future salary increases and after allowing for increases in pensions in payment	83%

Other UK post-retirement benefits

In addition to the defined benefit pension scheme, the Company provides unfunded post-retirement medical arrangements and unfunded ex-gratia pensions to a number of former employees These schemes are accounted for in accordance with FRS 17 The charge to the profit and loss account is disclosed in 'Net Interest Payable/(Receivable)' (note 5) and 'Staff Costs' (note 7) and the actuarial gains and losses are disclosed in the statement of total recognised gains and losses

At the year end, 25 (2008 27) pensioners had entitlement to unfunded post-retirement medical benefits The estimated liability in respect of these benefits is £522,000 (2008 £544,000) 65 (2008 74) pensioners had entitlement to ex-gratia pensions The estimated liability in respect of these benefits is £67,000 (2008 £87,000)

21 Retirement benefits (continued)

Overseas schemes

The aggregate pension cost charge for the year for overseas pension schemes is disclosed in 'Staff Costs' (note 7)

Defined benefit schemes

The principal overseas scheme with a defined benefit aspect is operated by Brintons Pty Limited The Company operated a defined benefit scheme until 1995 when the nature of the scheme changed to defined contribution (for new members) and defined contribution (with a defined benefit underpin) for existing members The total pension cost charge for the period was £147,000 (2008 £13,000) which forms part of the £322,000 charge shown in note 7

The last full actuarial valuation of the scheme on which the actuary (Aon Consulting, Sydney) has reported was as at 1 July 2009 This valuation has been interpreted on a set of assumptions consistent with those required under FRS17 It shows that the market value of the scheme's assets were £493,000 (2008 £830,000) and that after taking account of the present value of the scheme's liabilities, the scheme shows a liability of £174,000 (2008 liability of £nil)

An ex-gratia departure scheme is operated by Brintons Carpets Asia Private Limited in India The scheme shows a liability of £69,000

Full FRS 17 disclosures for the overseas schemes have not been disclosed because, in the opinion of the Directors, the amounts are not material

Defined contribution schemes

A 'Section 401(k)' retirement plan is operated for its employees by Brintons US Axminster Inc in the USA The total pension cost charge for the period was £52,000 (2008 £42,000) which forms part of the £322,000 charge shown in note 7

22 Financial instruments

The Company has a derivative financial instrument with HSBC Bank plc that involves the Company selling US dollars to the bank at a certain fixed rate of exchange and expires in July 2010

The derivative contract has not been recognised at fair value (as defined by paragraph 37 of Schedule 1 of the Accounting Regulations of the Companies Act 2006) A liability of £586,000 (2008 £48,000), measured by reference to the fair value of forward contracts outstanding as at 4 July 2009, has not been recognised because forward contracts mature over varying periods from the balance sheet date and the exchange rate is expected to fluctuate in the period up to maturity

23 Capital commitments

	Group		Company	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Amounts contracted for but not provided in the accounts	**4,905**	-	**1,176**	-

24 Annual commitments under non-cancellable operating leases

Group	2009 Land & buildings £'000	2009 Other £'000	2008 Land & buildings £'000	2008 Other £'000
Expiring within one year	**36**	**39**	-	28
Expiring between two and five years	**328**	**425**	273	194
Expiring after five years	**164**	-	157	-
	528	**464**	430	222

Company	2009 Land & buildings £'000	2009 Other £'000	2008 Land & buildings £'000	2008 Other £'000
Expiring within one year	-	**9**	-	26
Expiring between two and five years	**147**	**359**	103	93
Expiring after five years	-	-	-	-
	147	**368**	103	119

25 Transactions with directors & other related party transactions

During the year, the Group entered into transactions, in the ordinary course of business and under normal trading conditions, with a related party Transactions entered into, and trading balances outstanding at 4 July 2009, are as follows

Group *Related party*	Sales to related party £	Purchases from related party £	Amounts owed from related party £	Amounts owed to related party £
Jules Brinton Limited				
2009	-	29,200	-	-
2008	281	44,400	-	8,930

Company *Related party*	Sales to related party £	Purchases from related party £	Amounts owed from related party £	Amounts owed to related party £
Jules Brinton Limited				
2009	-	29,200	-	-
2008	281	11,200	-	8,930

Jules Brinton Limited supplied consultancy services to the Company. Jules Brinton Limited is a company controlled by J B T Brinton, son of M A C Brinton

During the year, the Company sold 540 square metres of slow-moving carpet stock for £4,617, equivalent to market value, to Birmingham International Student Homes, a registered charity, to which P J S Johansen is a Director and Trustee