

CRENDON TIMBER ENGINEERING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2010



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CRENDON TIMBER ENGINEERING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2010

COMPANY INFORMATION

Directors	A W K Merriam A P Haughton J R Peryer P Bell S K Russell
Company secretary	S K Russell
Company number	1992573
Registered office	98 Hendford Hill Yeovil Somerset BA20 2QR
Auditor	Nexia Smith & Williamson Portwall Place Portwall Lane Bristol BS1 6NA
Bankers	HSBC Bank plc Yeovil Branch 1 Middle Street Yeovil Somerset BA20 1LR

CRENDON TIMBER ENGINEERING 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 the manufacture and erection of timber roof products

On 1st May 2009, the assets and business relating to the timber engineering portion of another group company, Bradfords Timber Supplies Limited, were acquired

TRADING REVIEW

Trading conditions in both the housing and commercial markets continued to be very difficult with some significant increases in raw material costs proving to be hard to pass on quickly. Further small reductions were made in both capacity and numbers employed resulting in longer hours being worked in the factories to handle a short term summer increase in demand. Some exceptionally bad weather in the winter added to the trading problems.

The acquisition of the engineering part of the business from Bradfords Timber Supplies Limited provided additional turnover during the year in comparison to the previous year.

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

	2010	2009
Gross margin	21.8%	22.7%
Operating Margin	(3.8%)	(3.1%)
Pre-tax return on average shareholders equity	(51.1%)	(21.0%)
Shareholders equity (£'000s)	1,086	1,786
Sales per Employee (£'000s)	110	111

Development of the Business

In the financial year, shareholders equity reduced from £1,786,106 to £1,057,816. This is accounted for as follows:

	2010 £'000	2009 £'000
Opening shareholders equity	1,786	2,364
Net loss for the year after tax	<u>(700)</u>	<u>(428)</u>
	1,086	1,936
Dividends paid	<u>-</u>	<u>(150)</u>
Closing shareholders equity	<u>1,086</u>	<u>1,786</u>

Position of the company at year end

Net assets at the year end were £1,085,816 (2009: £1,786,106) and net current assets were £698,281 (2009: £1,381,926)

Capital expenditure

During the year the company spent £400,738 (2009: £109,826) on purchases of fixed assets.

DIVIDENDS

A final dividend of £500,000 was proposed for the year (2009: £nil). No interim dividend was paid (2009: £150,000).

DIRECTORS

The directors who held office during the year and at the date of this report are as follows:

A W K Merriam
A P Haughton
J R Peryer
P Bell
S K Russell

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 house-building and repairs 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 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 are 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.

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 and Williamson will therefore continue in office.

By order of the Board



A P Haughton

Director

Date 8 September 2010

CRENDON TIMBER ENGINEERING 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.

In so far as each of the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

CRENDON TIMBER ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CRENDON TIMBER ENGINEERING LIMITED

We have audited the financial statements of Crendon Timber Engineering Limited for the year ended 30 April 2010 which comprise the Profit & Loss Account, the Balance Sheet and the related notes. 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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2010 and of the company's loss 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.

Nexia Smith & Williamson

Ian Cooper
Senior Statutory Auditor, for and on behalf of
NEXIA SMITH & WILLIAMSON
Chartered Accountants and Statutory Auditor
Date

Portwall Place
Portwall Lane
Bristol
BS1 6NA

CRENDON TIMBER ENGINEERING LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2010**

	Note	2010 £	2009 £
TURNOVER	2		
Continuing operations		14,341,306	17,094,406
Acquisitions		4,415,145	-
		<u>18,756,451</u>	<u>17,094,406</u>
Cost of sales		<u>(14,674,297)</u>	<u>(13,205,939)</u>
GROSS PROFIT		4,082,154	3,888,467
Administrative expenses - normal		(4,802,258)	(4,153,764)
Administrative expenses - exceptional		-	(263,777)
		<u>(4,802,258)</u>	<u>(4,417,541)</u>
OPERATING LOSS	3		
Continuing operations		(449,478)	(529,074)
Acquisitions		(270,626)	-
OPERATING LOSS		(720,104)	(529,074)
Other operating income		-	46,123
Dividends received	8	-	30,000
Net interest	6	(13,843)	18,231
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(733,947)</u>	<u>(434,720)</u>
Tax on profit on ordinary activities	7	33,657	6,569
LOSS FOR THE YEAR AFTER TAXATION		<u>(700,290)</u>	<u>(428,151)</u>

All of the activities are continuing

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

The notes on pages 9 to 16 form part of these financial statements

CRENDON TIMBER ENGINEERING LIMITED

**BALANCE SHEET
AS AT 30 APRIL 2010**

	Note	2010		2009	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		634,146		426,821
Investments	10		<u>2</u>		<u>2</u>
			634,148		426,823
CURRENT ASSETS					
Stocks	11	1,089,330		615,446	
Debtors	12	4,496,132		4,366,299	
Cash at bank and in hand		<u>1,194</u>		<u>-</u>	
		5,586,656		4,981,745	
CREDITORS Amounts falling due within one year	13	<u>(4,888,375)</u>		<u>(3,599,819)</u>	
NET CURRENT ASSETS			<u>698,281</u>		<u>1,381,926</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,332,429		1,808,749
CREDITORS Amounts falling due after more than one year	14		(246,613)		(12,200)
Provisions for liabilities and charges	15		<u>-</u>		<u>(10,443)</u>
			<u>1,085,816</u>		<u>1,786,106</u>
CAPITAL AND RESERVES					
Share capital	16		2		2
Profit and loss account	17		<u>1,085,814</u>		<u>1,786,104</u>
SHAREHOLDERS' FUNDS	18		<u>1,085,816</u>		<u>1,786,106</u>

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



A P Haughton
Director

Company Registered Number 1992573

The notes on pages 9 to 16 form part of these financial statements

CRENDON TIMBER ENGINEERING 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 in accordance with applicable accounting standards

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

Consolidation

The company has taken exemption from preparing group financial statements in accordance with the Companies Act 2006 as it is a wholly owned subsidiary of a company incorporated within the EEA. Accordingly the financial statements present information about the company as an individual undertaking and not about the group

Turnover

Turnover is based on amounts receivable excluding Value Added Tax, for goods and services supplied to customers during the year

Depreciation

Depreciation is calculated so as to write off the cost/valuation of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold land improvements	Over the duration of the lease on a straight line basis
Leasehold building improvements	Over the duration of the lease on a straight line basis
Plant and machinery	5 to 10 years on a straight line basis
Motor vehicles	4 to 5 years on a straight line basis
Fixtures and fittings	3 to 10 years on a straight line basis
Computer and office equipment	3 to 10 years on a straight line basis

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. The deferred tax provision is not discounted

Pension costs defined contribution scheme

Contributions are charged to the profit and loss account for the year as they become payable to the scheme

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

CRENDON TIMBER ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

1 ACCOUNTING POLICIES (continued)

Operating lease 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

Investments

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

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

2 TURNOVER

Turnover, which all arises in the UK, represents sales to customers (excluding value added tax) in respect of the company's principal activity

3 OPERATING LOSS

	2010	2009
	£	£
Cost of sales		
Continuing operations	11,100,019	13,205,939
Operations acquired during the year	<u>3,574,278</u>	<u>-</u>
	<u>14,674,297</u>	<u>13,205,939</u>
Administrative expenses		
Continuing operations	3,673,982	4,417,541
Operations acquired during the year	<u>1,128,276</u>	<u>-</u>
	<u>4,802,258</u>	<u>4,417,541</u>
Operating loss is stated after charging		
	2010	2009
	£	£
Depreciation charge for		
Owned assets	185,019	140,644
Leased assets	-	1,374
Operating lease rental - Hire of plant and machinery	339,743	282,238
Operating lease rental - Other	261,941	269,654
Auditors' remuneration (including expenses)		
Audit services	14,000	13,500
Non audit services	<u>6,000</u>	<u>6,894</u>

CRENDON TIMBER ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

4 STAFF NUMBERS AND COSTS

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

	2010	2009
	No	No
Sales and administration	76	71
Production	94	83
	<u>170</u>	<u>154</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	3,927,604	3,304,582
Social security costs	376,020	323,680
Other pension costs	157,317	83,119
Redundancy costs	-	248,996
	<u>4,460,941</u>	<u>3,960,377</u>

5 EMOLUMENTS OF DIRECTORS

The directors' aggregate emoluments in respect of qualifying services were

	2010	2009
	£	£
Emoluments receivable	86,102	89,894
Value of company pension contributions to money purchase schemes	6,095	6,080
	<u>92,197</u>	<u>95,974</u>

The emoluments excluding pension contributions of the highest paid director were £86,102 (2009 £89,894) and the company's contribution to the money purchase scheme in respect of this director was £6,095 (2009 £6,080)

The emoluments of four of the directors were not paid through Crendon Timber Engineering Limited during 2010, as they were paid through other companies within the Bradford & Sons Limited group of companies. Two of the directors were paid through Bradford Timber Supplies Limited, whilst the remaining two were paid through Bradford & Sons Limited.

6 NET INTEREST

	2010	2009
	£	£
a) Interest payable		
Hire purchase agreements	206	2,642
Bank loans and overdrafts	13,650	645
	<u>13,856</u>	<u>3,287</u>
	2,010	2009
	£	£
b) Interest receivable		
Bank interest	-	21,093
Other finance income	13	425
	<u>13</u>	<u>21,518</u>

CRENDON TIMBER ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

7 TAXATION ON ORDINARY ACTIVITIES

a) UK corporation tax on profits for the year

	2010	2009
	£	£
Current tax		
UK corporation tax at % (2009 - 28.00%)	-	4,310
Adjustments relating to earlier years		
	<u>-</u>	<u>4,310</u>
Deferred tax (note 14)		
Origination and reversal of timing differences	(33,657)	(9,465)
Adjustments relating to earlier years	-	(1,414)
Other timing differences		-
	<u>(33,657)</u>	<u>(6,569)</u>

b) Tax charge reconciliation

	2010	2009
	%	%
Standard rate of corporation tax	28	28
Effects of		
Depreciation in excess of Capital Allowances	(1)	(3)
Income not taxable for tax purposes - fixed assets	-	1
Income not taxable for tax purposes	-	3
Expenses not deductible for tax purposes	(1)	-
Other short term timing differences	(3)	1
Group relief surrendered before payment	(23)	(31)
	<u>-</u>	<u>(1)</u>

8 DIVIDENDS

	2010	2009
	£	£
Dividends received	<u>-</u>	<u>30,000</u>
Dividends paid (£nil (2009 £75,000 per share))	<u>-</u>	<u>150,000</u>

CRENDON TIMBER ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

9 TANGIBLE FIXED ASSETS

	Leasehold improvements	Plant and machinery	Computer and office equipment	Fixtures and fittings	Motor vehicles	Total
Cost or valuation	£	£	£	£	£	£
At 1 May 2009	337,864	1,143,655	149,303	337,092	115,961	2,083,875
Additions	-	38,580	22,793	3,860	9,000	74,233
Transfers from group	-	525,028	54,081	42,571	266,180	887,860
Transfers to group	-	(30,210)	-	-	(14,508)	(44,718)
Disposals	-	(3,000)	-	-	-	(3,000)
At 30 April 2010	337,864	1,674,053	226,177	383,523	376,633	2,998,250
Depreciation						
At 1 May 2009	293,663	908,001	116,684	271,187	67,519	1,657,054
Charge for the year	1,922	86,126	21,830	28,825	46,316	185,019
On transfers from group	-	336,906	49,983	30,346	144,120	561,355
On transfers to group	-	(21,816)	-	-	(14,508)	(36,324)
On disposals	-	(3,000)	-	-	-	(3,000)
At 30 April 2010	295,585	1,306,217	188,497	330,358	243,447	2,364,104
Net book value						
At 30 April 2010	42,279	367,836	37,680	53,165	133,186	634,146
At 30 April 2009	44,201	235,654	32,619	65,905	48,442	426,821

Included within the net book value of £634,146 (2009 £426,821) is £nil (2009 £19,243) relating to assets held under hire purchase and finance lease agreements. The depreciation charged in the year in respect of these assets amounted to £nil (2009 £1,374).

10 FIXED ASSET INVESTMENTS

	2010	2009
	£	£
Net book value		
At 30 April 2010	2	2

Details of the subsidiary undertakings at 30 April 2010, all of which are incorporated in England and Wales and 100% owned, are as follows:

Company	Nature of Business	Status
Crendon Roofing Services Limited	Specialist roofing contractor	Active
Crendon Timber Engineering (Bristol) Limited	Dormant	Dormant
Crendon Timber Engineering (South West) Limited	Dormant	Dormant
H Y Arnold (Castleford) Limited	Dormant	Dormant
Structural Timbers Limited	Dormant	Dormant

11 STOCK

	2010	2009
	£	£
Raw materials and consumables	878,907	485,558
Work in progress	35,450	28,969
Finished goods	174,973	100,919
	<u>1,089,330</u>	<u>615,446</u>

CRENDON TIMBER ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

12 DEBTORS

	2010	2009
	£	£
Amounts falling due within one year		
Trade debtors	4,007,212	3,675,161
Amounts owed by group undertakings	202,106	382,366
Other debtors	29,503	5,587
Prepayments and accrued income	83,983	77,545
	<u>4,322,804</u>	<u>4,140,659</u>
Amounts falling due after more than one year		
Trade debtors	173,328	225,640
	<u>4,496,132</u>	<u>4,366,299</u>

13 CREDITORS Amounts falling due within one year

	2010	2009
	£	£
Bank overdraft	1,143,486	823,149
Trade creditors	2,518,261	1,459,235
Amounts owed to group undertakings	240,536	332,793
Corporation tax	-	4,310
Other tax and social security	215,553	83,810
Other creditors and accruals	770,539	893,821
Hire purchase creditor	-	2,701
	<u>4,888,375</u>	<u>3,599,819</u>

14 CREDITORS. Amounts falling due after more than one year

	2010	2009
	£	£
Amounts due to group undertakings	<u>246,613</u>	<u>12,200</u>

Maturity of financial liabilities

	2010	2009
	£	£
In one year or less	-	2,701
In more than one year, but not more than two years	-	-
In more than two years, but not more than five years	-	-
	<u>-</u>	<u>2,701</u>

15 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

	2010	2009
	£	£
Accelerated capital allowances	4,680	10,392
Other timing differences	(27,894)	51
Full provision	<u>(23,214)</u>	<u>10,443</u>

	2010	2009
	£	£
Provision at 1 May	10,443	21,322
Deferred tax charge in the profit and loss	(33,657)	(10,879)
Provision at 30 April	<u>(23,214)</u>	<u>10,443</u>

CRENDON TIMBER ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

16 CALLED UP SHARE CAPITAL

	2010	2009
	£	£
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

17 PROFIT AND LOSS ACCOUNT

	2010	2009
	£	£
As at 1 May	1,786,104	2,364,255
Retained loss for the year	(700,290)	(428,151)
Dividends paid	-	(150,000)
As at 30 April	<u>1,085,814</u>	<u>1,786,104</u>

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
(Loss) for the year	(700,290)	(428,151)
Dividends (note 8)	-	(150,000)
	<u>(700,290)</u>	<u>(578,151)</u>
Opening shareholders' funds	1,786,106	2,364,257
Closing shareholders' funds	<u>1,085,816</u>	<u>1,786,106</u>

19 OPERATING LEASES COMMITMENTS

Annual commitments under operating leases are as follows

Land and buildings	2010	2009
	£	£
Expiring		
In one year or less	-	-
Between one and five years	(261,941)	(240,293)
In five years or more	-	(20,000)
	<u>(261,941)</u>	<u>(260,293)</u>
Other		
Expiring		
In one year or less	(67,504)	(81,906)
Between one and five years	(174,497)	(200,332)
In five years or more	-	-
	<u>(242,001)</u>	<u>(282,238)</u>

20 CONTINGENT LIABILITIES

There is a cross guarantee in place between the company and its fellow group companies to secure the bank overdrafts. The contingent liability to the company at 30 April 2010 amounted to £Nil (2009 £Nil).

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).

CRENDON TIMBER ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010 (continued)

21 ACQUISITIONS

On 1 May 2009 the trade and certain assets and liabilities of the engineering section of Bradfords Timber Supplies Limited were transferred into Crendon Timber Engineering Limited. The details of the assets and liabilities transferred are shown below.

	£
Fixed assets	323,644
Stock	236,619
Prepayments	11,675
Trade creditors	(273,284)
Accruals	(64,240)
Net book value and fair value	<u>234,414</u>

Consideration was credited to the intercompany account. No goodwill arose as the assets were transferred at their fair value.

22 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.

23 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Bradford and Sons Limited, which is registered in England and Wales and is the immediate controlling party.

The 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.

The following page does not form part of the statutory financial statements which are the subject of the independent auditor's report on page 6

	2010		2009	
	£	£	£	£
TURNOVER		18,756,451		17,094,406
COST OF SALES				
Opening stock	(615,446)		(1,138,681)	
Purchases	<u>(15,148,181)</u>		<u>(12,682,704)</u>	
	(15,763,627)		(13,821,385)	
Closing stock	<u>1,089,330</u>		<u>615,446</u>	
		<u>(14,674,297)</u>		<u>(13,205,939)</u>
GROSS PROFIT		4,082,154		3,888,467
LESS ESTABLISHMENT CHARGES				
Rent and rates	618,412		604,673	
Light, heat and power	71,427		59,369	
Insurance	199,189		155,028	
Repairs and renewals	276,138		199,068	
Lease of equipment	91,582		92,206	
ADMINISTRATION EXPENSES.				
Directors' remuneration	86,102		89,894	
Directors' national insurance	9,289		9,882	
Directors' pensions	6,095		6,080	
Salaries	1,980,885		2,011,713	
National insurance	208,419		188,273	
Pension scheme contributions	151,222		77,039	
Temporary staff costs	11,416		-	
Motor and travelling expenses	219,913		227,877	
Telephone	34,198		40,135	
Office expenses, stationery and sundries	88,038		118,261	
Advertising and subscriptions	44,408		50,201	
Auditors' remuneration	29,706		20,394	
Legal and professional fees	32,109		50,332	
Cleaning, environmental and waste	53,674		16,212	
Management charges Bradford and Sons Limited	72,000		130,008	
Management charges Bradford Timber Supplies Limited	145,988		-	
FINANCIAL EXPENSES:				
Bank charges	5,518		8,604	
Bank interest payable	13,650		-	
Interest on overdue payments	-		645	
Hire purchase interest	206		2,642	
Bad debts/claim provision	181,496		120,274	
Depreciation	<u>185,035</u>		<u>142,018</u>	
		<u>4,816,115</u>		<u>4,420,828</u>
		(733,960)		(532,361)
OTHER INCOME				
Bank interest receivable	-		21,093	
Interest receivable from overdue tax refund	13		425	
Dividends from group undertakings	-		30,000	
Inter company write-off	<u>-</u>		<u>46,123</u>	
		13		97,641
LOSS ON ORDINARY ACTIVITIES		<u>(733,947)</u>		<u>(434,720)</u>