COMPANY REGISTRATION NUMBER 2097035

William Williams (Bridgnorth) Limited

Report and Financial Statements

31 December 2009

Registered No 2097035

Directors
C J Folkes
P M Turner
A L Folkes
C L Folkes
C F Banks

Secretary
P M Turner

Auditors
Deloitte LLP
Four Brindleyplace
Birmingham, UK
B1 2HZ

Registered office
Forge House
Dudley Road
Lye
Stourbridge
West Midlands
DY9 8EL

Directors' report

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The loss for the year, after taxation, amounted to £11,842 (2008 £26,413 profit) No dividend is proposed for 2009 (2008 £nil)

Principal activities and review of the business

The principal activity of the company during the year was that of builders' merchants

The company continues to operate satisfactorily This performance is expected to continue into 2010

Directors

The directors who served the company during the year were as follows

C J Folkes	
RW Stokes	(Resigned 31 March 2009)
C S Griffin	(Resigned 10 July 2009)
P M Turner	
A L Folkes	
C L Folkes	(Appointed 27 April 2009)
C F Banks	

The interests of C J Folkes and A L Folkes in the shares of Folkes Holdings Limited are shown in the Directors' report of that company

Going Concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and consider that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern Cash flow forecasts are prepared annually as part of the planning and budgeting process and are monitored and reworked monthly For this reason, they continue to adopt the going concern basis in preparing the financial statements

Given the present economic environment, the directors are aware of the general concern affecting the assessment of the going concern basis for all businesses and have therefore taken particular care in reviewing the going concern basis this year The company carefully monitors its forecast cash balances and has relatively liquid assets, which it could draw on if necessary

The Company has not encountered any difficulty in paying its trade payables in good time

Disclosure of information to the auditors

Each Director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps (such as making enquiries of other Directors and the auditors and any other steps required by the directors' duly to exercise due care, skill and diligence) that he ought to have taken in his duty as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006

Directors' report

Auditors
A resolution to reappoint Deloitte LLP will be put to the members at the Annual General Meeting

This report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies' exemption

By order of the board

P M Turner
Secretary

6 September 2010

Statement of directors' responsibilities in respect of the financial statements

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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,
- 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

Independent auditors' report
to the members of William Williams (Bridgnorth) Limited

We have audited the financial statements of William Williams (Bridgnorth) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Balance Sheet and the related notes 1 to 15 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, 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
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

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 31 December 2009 and of its 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Christopher Robertson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, UK
8 September 2010

Profit and loss account

for the year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	902,611	904,680
Cost of sales		(569,592)	(567,698)
Gross profit		333,019	336,982
Distribution costs		(18,952)	(24,342)
Administrative expenses		(339,159)	(341,366)
Operating loss	3	(25,092)	(28,726)
Interest receivable and similar income	6	11,874	43,501
Interest payable		-	(47)
(Loss)/profit on ordinary activities before taxation		(13,218)	14,728
Tax on (loss)/profit on ordinary activities	7	1,376	11,685
(Loss)/profit for the financial year transferred to reserves		(11,842)	26,413

All amounts derive from continuing operations

Statement of total recognised gains and losses

for the year ended 31 December 2009

	2009 £	2008 £
(Loss)/profit for the financial year	(11,842)	26,413
Unrealised gain/(deficit) on revaluation of freehold property	10,800	(149,200)
Total recognised gains and losses relating to the year	(1,042)	(122,787)

Note of historical cost profits and losses

for the year ended 31 December 2009

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	(13,218)	14,728
Difference between an historical cost depreciation charge and the actual depreciation charge for the year on the revalued amount	6,600	6,600
Historical cost (loss)/profit on ordinary activities before taxation	(6,618)	21,328
Historical cost (loss)/profit for the year after taxation and dividends	(5,242)	33,013

Balance sheet
at 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	8	656,289	660,288
Investment		750	750
		657,039	661,038
Current assets			
Stocks	9	183,700	204,967
Debtors	10	128,281	113,785
Cash at bank		546,700	486,426
		858,681	805,178
Creditors amounts falling due within one year	11	(753,350)	(702,804)
Net current assets		105,331	102,374
Total assets less current liabilities and net assets		762,370	763,412
Capital and reserves			
Called up share capital	13	10,000	10,000
Revaluation reserve	14	455,617	451,417
Profit and loss account	14	296,753	301,995
Equity shareholders' funds	14	762,370	763,412

The financial statements of William Williams (Bridgnorth) Limited (Company Number 2097035) were approved by the board and authorised for issue on 6 September 2010

P M Turner
Director

6 September 2010

Notes to the financial statements
at 31 December 2009

1. Accounting policies

Basis of Preparation
The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings and in accordance with UK applicable accounting standards and have been applied consistently in the current and preceding year The financial statements have been prepared on a going concern basis as discussed in the directors' report

Cash flow statement
The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Related parties transactions
The company is a wholly owned subsidiary of Folkes Holdings Limited, the consolidated financial statements of which are publicly available Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Folkes Holdings group of companies

Fixed assets
All fixed assets are initially recorded at cost In accordance with FRS 15 the company will continue to revalue its freehold land and buildings on a regular basis

Surpluses arising from the revaluation of assets are taken directly to the revaluation reserve except to the extent that they are reversals of losses previously recognised in the profit and loss account, in which case they are credited to the profit and loss account Deficits are taken initially to the revaluation reserve until the carrying value of the assets equals its depreciated historical cost, and then to the profit and loss account

Depreciation
Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life as follows

Freehold buildings	- 50 years
Fixtures and fittings	- 2 to 6 years
Motor vehicles	- 4 years
Plant and machinery	- 4 to 6 years

Stocks
Stock is valued at the lower of cost and net realisable value Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal

Notes to the financial statements
at 31 December 2009

1. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts All turnover arises in the United Kingdom

3. Operating loss

This is stated after charging

	2009	*2008*
	£	*£*
Fees payable to the company's auditors for the audit of the company's annual accounts	3,000	3,000
Depreciation of owned fixed assets	16,018	15,712

4. Staff costs

	2009	*2008*
	£	*£*
Wages and salaries	173,085	194,621
Social security costs	15,589	21,242
	188,674	215,863

Notes to the financial statements
at 31 December 2009

4. Staff costs (continued)

The monthly average number of employees during the year was as follows

	2009	*2008*
	No	*No*
Production staff	4	4
Distribution staff	5	5
Administrative staff	4	5
	13	14

5. Directors' emoluments

	2009	*2008*
	£	*£*
Emoluments	47,033	59,884

6. Interest receivable and similar income

	2009	*2008*
	£	*£*
Bank interest	11,727	43,501
Other interest	147	-
	11,874	43,501

7 Tax

(a) Tax on (loss)/profit on ordinary activities

The tax credit is made up as follows

	2009	*2008*
	£	*£*
Current tax		
UK corporation tax	-	5,120
Group relief	(538)	-
Group relief over provided in previous years	-	(14,819)
Total current tax (note 7 (b))	(538)	(9,699)
Deferred tax		
Origination and reversal of timing differences	(3,096)	(1,907)
Tax over provided in previous years	2,258	(79)
	(838)	(1,986)
Tax on (loss)/profit on ordinary activities	(1,376)	(11,685)

Notes to the financial statements
at 31 December 2009

7. Tax (continued)

(b) Factors affecting current tax credit

The tax assessed on the (loss)/profit on ordinary activities varies from the standard rate of corporation tax in the UK of 28% (2008 28 5%) The differences are reconciled below

	2009 £	*2008* £
(Loss)/profit on ordinary activities before taxation	(13,218)	14,728
(Loss)/profit on ordinary activities at the standard rate of tax of 28% (2008 28 5%)	(3,701)	4,197
Expenses not allowable and non-taxable income	67	849
Depreciation in excess of capital allowances	3,096	1,986
Effect of small companies' rate	-	(1,912)
Group relief over provision in prior year	-	(14,819)
Total current tax (note 7(a))	(538)	(9,699)

(c) Deferred tax

Details of the deferred tax asset are set out in note 10

8. Tangible fixed assets

	Freehold property £	*Fixtures, fittings, motor vehicles, plant and machinery* £	*Total* £
Cost or valuation			
At 1 January 2009	640,000	138,058	778,058
Additions	-	1,219	1,219
At 31 December 2009	640,000	139,277	779,277
Depreciation			
At 1 January 2009	-	117,770	117,770
Provided during the year	10,800	5,218	16,018
Revaluation	(10,800)	-	(10,800)
At 31 December 2009	-	122,988	122,988
Net book value			
At 31 December 2009	640,000	16,289	656,289
At 1 January 2009	640,000	20,288	660,288

Notes to the financial statements
at 31 December 2009

8. Tangible fixed assets (continued)

The amount of land included in freehold property is £245,000 (2008 - £245,000)

The net book value of freehold property on a historical cost basis would be £188,583 (2008 - £192,783)

At 31 December 2009 a review of the freehold property was undertaken by the directors supported by advice from Phoenix Beard, Chartered Surveyors

9. Stocks

	2009	*2008*
	£	*£*
Goods for resale	183,700	204,967

10. Debtors

	2009	*2008*
	£	*£*
Trade debtors	107,595	90,952
Prepayments and accrued income	16,128	19,651
Group relief	538	-
Deferred tax asset	4,020	3,182
	128,281	113,785

The deferred tax asset is in respect of decelerated capital allowances A deferred tax liability of £23,000 (2008 £23,000) has not been recognised in respect of revalued buildings The tax will crystallise in the event that the buildings are sold As there is no binding agreement to sell the buildings at the period end no tax has been recognised

11. Creditors: amounts falling due within one year

	2009	*2008*
	£	*£*
Trade creditors	73,686	86,447
Amounts owed to group undertakings	662,585	585,614
Corporation tax	-	11,704
Other taxation and social security	4,837	4,448
Accruals and deferred income	12,242	14,591
	753,350	702,804

12. Contingent liability

The Company is party to an unlimited guarantee to secure balances due to bankers by certain members of the group headed by Folkes Holdings Limited At 31 December 2009 the secured bank borrowings were £48,639,000 (2008 £45,621,000)

Notes to the financial statements
at 31 December 2009

13. Share capital

	Authorised, allotted, called up and fully paid			
		2009		*2008*
	No	*£*	*No*	*£*
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

14. Reconciliation of shareholders' funds and movement on reserves

	Share capital	*Revaluation reserve*	*Profit and loss account*	*Total share-holders' funds*
	£	*£*	*£*	*£*
At 1 January 2008	10,000	536,817	814,180	1,360,997
Profit for the year	–	–	26,413	26,413
Depreciation transfer	–	(6,600)	6,600	–
Revaluation in the year	–	(149,200)	-	(149,200)
At 31 December 2008	10,000	451,417	301,995	763,412
Profit for the year	–	–	(11,842)	(11,842)
Depreciation transfer	–	(6,600)	6,600	–
Revaluation in the year	–	10,800	-	10,800
At 31 December 2009	10,000	455,617	296,753	762,370

15. Ultimate parent company and controlling party

The Company's immediate parent undertaking is Nevinshield Limited, a company registered in England and Wales

The Company's ultimate parent undertaking is Folkes Holdings Limited, a company registered in England and Wales Folkes Holdings Limited is the parent company of the only group of which the company is a member and for which group financial statements are drawn up Consolidated financial statements of the group are available to the public from Companies House, Crown Way, Cardiff, CF14 3UZ

The Company's ultimate controlling party is Mr CJ Folkes who has a beneficial interest in 84% of the issued share capital of Folkes Holdings Limited