



Financial Statements

Richard Burbidge Limited

For the year ended 1 October 2011



Registered number: 2037421

Richard Burbidge Limited

Company Information

Directors	C J Davies K K Riddle S Underhill R H Burbidge
Company secretary	C J Davies
Company number	2037421
Registered office	Whittington Road Oswestry Shropshire SY11 1HZ
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Royal Liver Building Liverpool L3 1PS
Bankers	Natwest Bank Plc Shrewsbury Shropshire SY1 1HE
Solicitors	Weightmans LLP India Buildings Water Street Liverpool L2 0GA

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Directors' report

For the year ended 1 October 2011

The directors present their report and the financial statements for the year ended 1 October 2011

Directors' responsibilities statement

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 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.

Principal activities

The principal activity of the company is the supply of quality timber based products to the home improvement and buildings industries.

Business review

The directors have not declared a final ordinary dividend in the current nor the previous year. An interim dividend of £149.33 (2010 £7.36) per share was paid in the year. Mr R H Burbidge has waived the right to receive dividends totalling £Nil (2010 £90,823).

The directors consider the overall financial performance of the Company to be in line with expectations given the current market conditions and the impact of the group reorganisation.

The directors consider the Company's key performance indicators ("KPI's") to be gross profit, operating profit, stock turnover, debtor days and creditor days. These KPIs can be calculated directly from the financial statements.

Directors' report

For the year ended 1 October 2011

Results and dividends

The profit for the year, after taxation, amounted to £1,691k (2010 - loss £10,125k)

Particulars of dividends paid are detailed in note 22 to the financial statements

Directors

The directors who served during the year were

C J Davies
K K Riddle
S Underhill
R H Burbidge appointed 13/10/10

Donations

The company made no political contributions during the period. Donations to UK charities amounted to £550 (2010 £821)

Principal risks and uncertainties

The company uses financial instruments, these include cash, finance leases and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

Interest rate risk

The company finances its operations through a mixture of retained profits and finance leases.

Credit risk

The company's principal financial assets are cash deposits, cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk, credit limits are set and reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Currency risk

The company has an Irish subsidiary and a number of overseas suppliers. As a result the company reviews its currency exposure on a continual basis and will enter into hedges if considered necessary.

Employee involvement

The company supports the employment of disabled people wherever possible through recruitment, by retention of those who become disabled during their employment and generally through training, career development and promotion.

Directors' report

For the year ended 1 October 2011

The directors recognise the importance of good communications and relations with employees

Environmental policies

The company is committed to reducing the environmental impacts caused by its operations as a manufacturer and supplier of predominantly timber based products for the building and home improvement sector. A copy of the environmental policy is available on request from the head office address, or can be viewed on the company's web site at www.richardburbidge.co.uk

Qualifying third party indemnity provisions

During the financial year, a qualifying third party indemnity provision for the benefit of all the directors was in force

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



C J Davies
Director

Date 14 December 2011



Independent auditor's report to the members of Richard Burbidge Limited

We have audited the financial statements of Richard Burbidge Limited for the year ended 1 October 2011, which comprise the Profit and loss account, the Statement of total recognised gains and losses, 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 Auditor's 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 auditor

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 and express an opinion on 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 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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 1 October 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Richard Burbidge Limited

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

Grant Thornton UK LLP

Carl Williams (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Liverpool

14 December 2011

Profit and loss account

For the year ended 1 October 2011

	Note	2011 £000	2010 £000
Turnover	1,2	29,708	29,559
Cost of sales		(18,818)	(18,993)
Gross profit		10,890	10,566
Distribution costs		(6,340)	(7,206)
Administrative expenses		(3,327)	(2,920)
Exceptional administrative expenses		-	(4,884)
Total administrative expenses		(3,327)	(7,804)
Operating profit/(loss)	4	1,223	(4,444)
Interest receivable and similar income		404	193
Amounts written off investments		-	(5,255)
Interest payable and similar charges	7	(13)	(13)
Other finance income	8	349	(171)
Profit/(loss) on ordinary activities before taxation		1,963	(9,690)
Tax on profit/(loss) on ordinary activities	11	(272)	(435)
Profit/(loss) for the financial year		1,691	(10,125)

All amounts relate to continuing operations

The notes on pages 9 to 24 form part of these financial statements

Statement of total recognised gains and losses

For the year ended 1 October 2011

	Note	2011 £000	2010 £000
Profit/(loss) for the financial year		1,691	(10,125)
Actuarial loss related to pension scheme	25	(200)	(177)
Deferred tax attributable to actuarial gain	25	5	50
Total recognised gains and losses relating to the year		1,496	(10,252)

The notes on pages 9 to 24 form part of these financial statements

Balance sheet

As at 1 October 2011

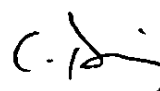
	Note	£000	2011 £000	£000	2010 £000
Fixed assets					
Tangible assets	12		2,570		1,818
Investments	13		32		32
			<u>2,602</u>		<u>1,850</u>
Current assets					
Stocks	14	5,532		5,992	
Debtors	15	7,956		9,309	
Cash at bank and in hand		2,480		7,603	
		<u>15,968</u>		<u>22,904</u>	
Creditors, amounts falling due within one year	16	(4,984)		(7,238)	
Net current assets			<u>10,984</u>		<u>15,666</u>
Total assets less current liabilities			<u>13,586</u>		<u>17,516</u>
Creditors, amounts falling due after more than one year	17		(270)		(47)
Net assets excluding pension scheme assets/(liabilities)			<u>13,316</u>		<u>17,469</u>
Defined benefit pension scheme liability	25		(515)		(564)
Net assets including pension scheme assets/(liabilities)			<u><u>12,801</u></u>		<u><u>16,905</u></u>
Capital and reserves					
Called up share capital	19		38		38
Share premium account	20		2,329		2,329
Profit and loss account	20		10,434		14,538
Shareholders' funds	21		<u><u>12,801</u></u>		<u><u>16,905</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 December 2011

S Underhill
Director



C J Davies
Director



The notes on pages 9 to 24 form part of these financial statements

Notes to the financial statements

For the year ended 1 October 2011

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The directors have reviewed the accounting policies in accordance with FRS 18 "Accounting Policies" and consider them to be the most appropriate to the company

The principal accounting policies of the company have remained unchanged for the previous period and are set out below

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Revenue is recognised on dispatch of goods

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	2 to 10 years
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Assets under the course of construction are not depreciated

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Notes to the financial statements

For the year ended 1 October 2011

1. Accounting policies (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.8 Stocks and Work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.11 Research and development

Research and development expenditure is written off in the year in which it is incurred

Notes to the financial statements

For the year ended 1 October 2011

1. Accounting policies (continued)

1.12 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 5 April 2008.

The company has applied the Amendment to FRS 17 Retirement Benefits which is effective for accounting periods commencing on or after 6 April 2007. The amendment to FRS 17 primarily affects disclosures in relation to defined benefit pension schemes. However for quoted securities the fair value is now taken to be the current bid price rather than the mid-market value.

The company operates a defined benefit scheme for certain employees. Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the company.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in interest receivable and other income. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

Notes to the financial statements

For the year ended 1 October 2011

1. Accounting policies (continued)

1.14 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

1.15 Employee share scheme

In accordance with FRDS 20 "Share-based payment", the fair value of the share option is calculated at the balance sheet date and recognised as an expense in the profit and loss account, with corresponding increase in liabilities in the balance sheet. The fair value is recognised over the period to which employees become unconditionally entitled to the awards, subject to the company's estimate of the number of awards which will lapse, whether due to employees leaving the company prior to vesting or due to non-market based performance conditions not being met. Where an award has market-based performance conditions, the fair value of the award is adjusted for the profitability of achieving these via the option pricing model. The total amount recognised in the profit and loss account as an expense is adjusted to reflect the actual number of awards that vest except where forfeiture is due to the failure to meet market-based performance measures.

Notes to the financial statements

For the year ended 1 October 2011

2. Turnover

The whole of the turnover is attributable to the supply of quality timber based products to the homes improvement and building industries as follows

A geographical analysis of turnover is as follows

	2011 £000	2010 £000
United Kingdom	29,507	29,419
Rest of European Union	51	100
Rest of world	150	40
	<u>29,708</u>	<u>29,559</u>

3. Other operating charges

	2011 £000	2010 £000
Administrative expenses	3,327	2,920
Administration exceptional	-	4,884
	<u>3,327</u>	<u>7,804</u>

4. Operating profit/(loss)

The operating profit/(loss) is stated after charging

	2011 £000	2010 £000
Depreciation of tangible fixed assets		
- owned by the company	569	884
- held under finance leases	99	107
Auditors' remuneration	16	22
Auditors' remuneration - non-audit	4	15
Operating lease rentals		
- plant and machinery	37	245
	<u>37</u>	<u>245</u>

During the year, no director received any emoluments (2010 - £NIL)

Notes to the financial statements

For the year ended 1 October 2011

5. Staff costs

Staff costs were as follows

	2011 £000	2010 £000
Wages and salaries	5,994	7,197
Social security costs	555	700
Other pension costs (Note 25)	334	335
	<u>6,883</u>	<u>8,232</u>

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

	2011 No.	2010 No.
Production staff	140	156
Distribution staff	100	114
Administrative staff	25	27
	<u>265</u>	<u>297</u>

Other pension costs are amounts charge to operating profit and do not include amounts charged to finance costs and amounts recognised in the statement of recognised gains and losses

6. Directors' remuneration

	2011 £000	2010 £000
Emoluments	<u>552</u>	<u>619</u>

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £294 thousand (2010 - £342 thousand) this figure is inclusive of employer pension contributions of £36 thousand (2010 - £35 thousand)

Notes to the financial statements

For the year ended 1 October 2011

Share options

During the period ended 3 October 2009, the company established a share option scheme for one of its' directors (who is also the highest paid director). The maximum number of shares that will vest is 2,393 A Ordinary shares, of which 987 will vest if the director is employed by the company on the exercise date and the remaining 1,406 will vest only if certain performance conditions are met. There is a put-option in place whereby the director is able to convert the shares to cash upon exercise of the options. The fair value of the options has been determined in accordance with the principles set out in the option agreement, the company's articles of association and the requirements of FRS 20. Under this method, the expense to the profit and loss account for the year is £59,525 (2010 £93,361) and corresponding liability at 1 October 2010 is £199,197 (2010 £139,592).

7. Interest payable

	2011 £000	2010 £000
On finance leases and hire purchase contracts	13	13

8. Other finance income

	2011 £000	2010 £000
Expected return on pension scheme assets	1,757	1,241
Interest on pension scheme liabilities	(1,408)	(1,412)
	349	(171)

9. Exceptional items

	2011 £000	2010 £000
Write off amounts due from a fellow subsidiary	-	4,884

10. Amounts written off investments

	2011 £000	2010 £000
Amounts written off investments	-	5,225

Notes to the financial statements

For the year ended 1 October 2011

11. Taxation

	2011 £000	2010 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the year	180	148
Deferred tax (see note 18)		
Origination and reversal of timing differences	92	287
Tax on profit/loss on ordinary activities	<u>272</u>	<u>435</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - higher than) the standard rate of corporation tax in the UK of 28% (2010 - 28%) The differences are explained below

	2011 £000	2010 £000
Profit/loss on ordinary activities before tax	<u>1,963</u>	<u>(9,690)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	550	(2,722)
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	2,202
Capital allowances for year in excess of depreciation	(47)	(13)
Permanent timing differences	(73)	-
Short term timing difference leading to an increase (decrease) in taxation	(233)	681
Group relief	(17)	-
Current tax charge for the year (see note above)	<u>180</u>	<u>148</u>

Notes to the financial statements

For the year ended 1 October 2011

12. Tangible fixed assets

	Plant & machinery £000	Assets in course of construction £000	Total £000
Cost			
At 2 October 2010	14,928	27	14,955
Additions	767	664	1,431
Transfers intra group	-	(11)	(11)
Disposals	(288)	-	(288)
At 1 October 2011	15,407	680	16,087
Depreciation			
At 2 October 2010	13,137	-	13,137
Charge for the year	668	-	668
On disposals	(288)	-	(288)
At 1 October 2011	13,517	-	13,517
Net book value			
At 1 October 2011	1,890	680	2,570
At 1 October 2010	1,791	27	1,818

Included within the net book value of £2,570,000 is £401,000 (2010 - £77,000) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £99,000 (2010 - £107,000).

13. Fixed asset investments

	Investments in subsidiary companies £000	Other investments £000	Total £000
Cost or valuation			
At 2 October 2010 and 1 October 2011	5,293	25	5,318
Impairment			
At 2 October 2010 and 1 October 2011	5,263	23	5,286
Net book value			
At 1 October 2011	30	2	32
At 1 October 2010	30	2	32

Notes to the financial statements

For the year ended 1 October 2011

13. Fixed asset investments (continued)

Subsidiary undertakings

The company has the following subsidiary undertakings as at 1 October 2011

Name	Class of shares	Holding
Richard Burbidge (Ireland Limited)	Ordinary IR £1	100%
Atkinson Marketing Limited	Ordinary £1	100%
Art Mouldings (Sales) Limited*	Ordinary £1	100%
A M Products Limited*	Ordinary £1	100%

* Subsidiary of Atkinson Marketing Limited

The investment held by the company in Atkinson Marketing Limited has been written down to £Nil at 2 October 2010. As noted in the directors' report, the Richard Burbidge Group was acquired by Ripat Limited on 1 October 2010. On the same day, Atkinson Marketing Limited sold its investment in Atkinson & Kirby Limited (which in turn owns Hardwood Flooring Imports Limited) to Ripat Limited. On 3 October 2010, the trade and assets of Art Mouldings (Sales) Limited were transferred to Atkinson & Kirby Limited and therefore, the Atkinson Marketing Limited sub-group becomes dormant on such date. As a result, the investment in Atkinson Marketing Limited was written off in the prior year financial statements.

14. Stocks

	2011 £000	2010 £000
Raw materials	1,380	2,301
Work in progress	710	443
Finished goods and goods for resale	3,442	3,248
	<u>5,532</u>	<u>5,992</u>

15. Debtors

	2011 £000	2010 £000
Trade debtors	6,917	7,597
Amounts owed by group undertakings	19	200
Other debtors	92	91
Prepayments and accrued income	415	606
Tax recoverable	-	210
Deferred tax asset (see note 18)	513	605
	<u>7,956</u>	<u>9,309</u>

Notes to the financial statements

For the year ended 1 October 2011

16. Creditors:

Amounts falling due within one year

	2011 £000	2010 £000
Net obligations under finance leases and hire purchase contracts	90	32
Trade creditors	1,318	1,788
Amounts owed to group undertakings	727	947
Corporation tax	66	-
Social security and other taxes	631	1,003
Other creditors	99	118
Accruals and deferred income	2,053	3,350
	<u>4,984</u>	<u>7,238</u>

17. Creditors:

Amounts falling due after more than one year

	2011 £000	2010 £000
Net obligations under finance leases and hire purchase contracts	270	26
Other creditors	-	21
	<u>270</u>	<u>47</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2011 £000	2010 £000
Between one and five years	<u>270</u>	<u>26</u>

18. Deferred tax asset

	2011 £000	2010 £000
At beginning of year	605	(63)
(Charge for)/released during year	(92)	668
At end of year	<u>513</u>	<u>605</u>

Notes to the financial statements

For the year ended 1 October 2011

18. Deferred tax asset (continued)

The deferred tax asset is made up as follows

	2011 £000	2010 £000
Excess of taxation allowances over depreciation on fixed assets	68	(84)
Other timing differences	445	689
	<u>513</u>	<u>605</u>

19. Share capital

	2011 £000	2010 £000
Allotted, called up and fully paid		
37,500 Ordinary shares of £1 each	<u>38</u>	<u>38</u>

20. Reserves

	Share premium account £000	Profit and loss account £000
At 2 October 2010	2,329	14,538
Profit for the year		1,691
Dividends Equity capital		(5,600)
Pension reserve movement		(195)
	<u>2,329</u>	<u>10,434</u>
At 1 October 2011		

The closing balance on the Profit and loss account includes a £515 thousand (2010 - £564 thousand) debit, stated after deferred taxation of £181 thousand (2010 - £219 thousand), in respect of pension scheme liabilities of the company pension scheme

21. Reconciliation of movement in shareholders' funds

	2011 £000	2010 £000
Opening shareholders' funds	16,905	27,433
Profit/(loss) for the year	1,691	(10,125)
Dividends (Note 22)	(5,600)	(276)
Other recognised gains and losses during the year	(195)	(127)
	<u>12,801</u>	<u>16,905</u>
Closing shareholders' funds		

Notes to the financial statements

For the year ended 1 October 2011

22. Dividends

	2011 £000	2010 £000
Dividends paid on equity capital	5,600	276

23. Contingent liabilities

There were no contingent liabilities at 1 October 2011 or 2 October 2010

24. Capital commitments

At 1 October 2011 the company had capital commitments as follows

	2011 £000	2010 £000
Contracted for but not provided in these financial statements	401	280

25. Pension commitments

The latest actuarial valuation of this scheme was at 5 April 2008 and was carried out by KPMG LLP, an independent actuary. The actuarial value of the assets at that date was sufficient to cover 103% of the benefits which had accrued to members, after allowing for expected future increased in earnings. The market value of the assets of the staff pension scheme was £21.2 million at 5 April 2008. Under the MFR basis the scheme is more than 100% funded.

The company operates a Defined benefit pension scheme.

The amounts recognised in the Balance sheet are as follows

	2011 £000	2010 £000
Present value of funded obligations	(26,635)	(27,305)
Fair value of scheme assets	25,939	26,522
Deficit in scheme	(696)	(783)
Related deferred tax asset	181	219
Net liability	(515)	(564)

The pension scheme assets include ordinary shares issued by Richard Burbidge Limited with a fair value of £NIL (2010 - £NIL). Scheme assets also include property occupied by Richard Burbidge Limited with a fair value of £NIL (2010 - £NIL).

Notes to the financial statements

For the year ended 1 October 2011

25. Pension commitments (continued)

The amounts recognised in profit or loss are as follows

	2011 £000	2010 £000
Interest on obligation	(1,408)	(1,412)
Expected return on scheme assets	1,757	1,241
Past service cost	-	(120)
Total	<u>349</u>	<u>(291)</u>

Changes in the present value of the defined benefit obligation are as follows

	2011 £000	2010 £000
Opening defined benefit obligation	27,305	25,238
Interest cost	1,408	1,412
Actuarial (Gains)/losses	(1,700)	1,115
Past service costs	-	120
Benefits paid	(409)	(580)
Other benefit outgo over the period	31	-
Closing defined benefit obligation	<u>26,635</u>	<u>27,305</u>

Changes in the fair value of scheme assets are as follows

	2011 £000	2010 £000
Opening fair value of scheme assets	26,522	21,223
Expected return	1,757	1,241
Actuarial gains and (losses)	(1,900)	938
Contributions by employer	-	3,700
Benefits paid	(409)	(580)
Other benefit outgo over the period	(31)	-
	<u>25,939</u>	<u>26,522</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £200,000 (2010 - £177,000)

The company expects to contribute £NIL to its Defined benefit pension scheme in 2012

Notes to the financial statements

For the year ended 1 October 2011

25. Pension commitments (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2011	2010
European equities	8 00 %	8 00 %
European bonds	4 56 %	5 00 %
Property	7 50 %	8 00 %
Cash	0 50 %	1 00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	2011	2010
Discount rate at 1 October	5 00 %	5 20 %
Expected return on scheme assets at 1 October	6 40 %	6 68 %
Future pension increases	1 70 %	2 50 %
Inflation	0 10 %	3 25 %

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Defined benefit obligation	(26,635)	(27,305)	(29,253)	(23,394)	(23,919)
Scheme assets	25,939	26,522	21,223	19,480	21,241
(Deficit)/surplus	(696)	(783)	(8,030)	(3,914)	(2,678)
Experience adjustments on scheme liabilities	1,700	(1,115)	587	(3,367)	1,101
Experience adjustments on scheme assets	(1,900)	938	4,740	2,459	2,150

The post-retirement mortality assumptions used to value the benefit obligation at 1 October 2011 are based on the PXA92 plus 1% table with a current year of use

26. Operating lease commitments

At 1 October 2011 the company had annual commitments under non-cancellable operating leases as follows

	2011 £000	2010 £000
Expiry date		
Within 1 year	17	17
Between 2 and 5 years	131	131

Notes to the financial statements

For the year ended 1 October 2011

27. Ultimate parent undertaking and controlling party

The immediate parent company is Ripat Limited, a company incorporated in England and Wales. The company's accounts are available at Companies House.

Richard Burbidge, a director of this company and Ripat Limited, and members of his close family control the Group as a result of the controlling directly or indirectly 100% of the issued share capital of Ripat Limited.

28. Related party transactions

In accordance with FRS 8 'Related party disclosures', the company is exempt from disclosing transactions with companies in the Ripat Limited Group.