

Financial Statements

Richard Burbidge Limited

For the period ended 29 September 2012



Registered number: 02037421

Company Information

Company number	02037421
Registered office	Whittington Road Oswestry Shropshire SY11 1HZ
Company secretary	R Lincoln
Directors	K K Riddle S Underhill R H Burbidge R Lincoln (appointed 16 April 2012) P Haggerty (appointed 1 September 2012) J Burbidge (appointed 1 November 2012)
Solicitors	Weightmans LLP 100 Old Hall Street Liverpool L3 9QJ
Bankers	Natwest Bank Plc Shrewsbury Shropshire SY1 1HE
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Royal Liver Building Liverpool L3 1PS

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Directors' report

For the period ended 29 September 2012

The directors present their report and the financial statements for the period ended 29 September 2012

Principal activity

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 £2.51 (2011 £149.33) per share was paid in the year.

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.

Results and dividends

The profit for the period, after taxation, amounted to £993,000 (2011 - £1,691,000).

Particulars of dividends paid are detailed in note 20 to the financial statements.

Directors

The directors who served during the period were

C Davies (resigned 27 April 2012)

K K Riddle

S Underhill

R H Burbidge

R Lincoln (appointed 16 April 2012)

P Haggerty (appointed 1 September 2012)

Financial risk management objectives and policies

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.

Directors' report

For the period ended 29 September 2012

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.

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.com.

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.

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.

Directors' report

For the period ended 29 September 2012

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.

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

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

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



R Lincoln
Secretary

Date 18 December 2012

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

We have audited the financial statements of Richard Burbidge Limited for the period ended 29 September 2012, 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 (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 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 29 September 2012 and of its profit for the period 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 period 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
Statutory Auditor
Chartered Accountants
Liverpool

18 December 2012

Profit and loss account

For the period ended 29 September 2012

	Note	2012 £000	2011 £000
Turnover	1,2	25,493	29,708
Cost of sales		(17,354)	(18,818)
Gross profit		8,139	10,890
Distribution costs		(5,522)	(6,340)
Administrative expenses	3	(2,078)	(3,327)
Operating profit	4	539	1,223
Interest receivable and similar income		34	404
Interest payable and similar charges	7	(12)	(13)
Other finance income	8	333	349
Profit on ordinary activities before taxation		894	1,963
Tax on profit on ordinary activities	9	(122)	(272)
Profit for the financial period	18	772	1,691

All amounts relate to continuing operations

The notes on pages 9 to 25 form part of these financial statements

Statement of total recognised gains and losses

For the period ended 29 September 2012

	Note	2012 £000	2011 £000
Profit for the financial period		772	1,691
Actuarial loss related to pension scheme	23	(959)	(200)
Deferred tax attributable to actuarial gain	23	<u>136</u>	<u>5</u>
Total recognised gains and losses relating to the period		<u>(51)</u>	<u>1,496</u>

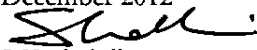
The notes on pages 9 to 25 form part of these financial statements

Balance sheet

As at 29 September 2012

		29 September 2012		1 October 2011	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	10		2,959		2,570
Investments	11		-		32
			<u>2,959</u>		<u>2,602</u>
Current assets					
Stocks	12	5,120		5,532	
Debtors	13	7,699		7,956	
Cash at bank and in hand		2,234		2,480	
		<u>15,053</u>		<u>15,968</u>	
Creditors , amounts falling due within one year	14	(4,171)		(4,984)	
Net current assets			<u>10,882</u>		<u>10,984</u>
Total assets less current liabilities			<u>13,841</u>		<u>13,586</u>
Creditors , amounts falling due after more than one year	15		(180)		(270)
Net assets excluding pension scheme assets/(liabilities)			<u>13,661</u>		<u>13,316</u>
Defined benefit pension scheme liability	23		(1,005)		(515)
Net assets including pension scheme assets/(liabilities)			<u><u>12,656</u></u>		<u><u>12,801</u></u>
Capital and reserves					
Called up share capital	17		38		38
Share premium account	18		2,329		2,329
Profit and loss account	18		10,289		10,434
Shareholders' funds	19		<u><u>12,656</u></u>		<u><u>12,801</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2012


S Underhill
Director


R Lincoln
Director

The notes on pages 9 to 25 form part of these financial statements

Notes to the financial statements

For the period ended 29 September 2012

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 company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The directors have reviewed the accounting policies in accordance with Financial Reporting Standard No. 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 statement

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 Financial Reporting Standard No. 1.

1.3 Turnover

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

Revenue is recognised on despatch 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.

Notes to the financial statements

For the period ended 29 September 2012

1. Accounting policies (continued)

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.

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.

Notes to the financial statements

For the period ended 29 September 2012

1. Accounting policies (continued)

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

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 period

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 5 April 2011

The company has applied the Amendment to Financial Reporting Standard No 17 "Retirement Benefits" which is effective for accounting periods commencing on or after 6 April 2007. The amendment to Financial Reporting Standard No 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 period ended 29 September 2012

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 Financial Reporting Standard No. 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 period ended 29 September 2012

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

	2012 £000	2011 £000
United Kingdom	25,454	29,507
Rest of European Union	2	51
Rest of world	37	150
	<u>25,493</u>	<u>29,708</u>

3. Other operating charges

	2012 £000	2011 £000
Administrative expenses	<u>2,078</u>	<u>3,327</u>

4. Operating profit

The operating profit is stated after charging

	2012 £000	2011 £000
Depreciation of tangible fixed assets		
- owned by the company	608	569
- held under finance leases	97	99
Auditor's remuneration	15	16
Auditor's remuneration - non-audit	4	4
Operating lease rentals		
- plant and machinery	179	37
	<u>179</u>	<u>37</u>

Notes to the financial statements

For the period ended 29 September 2012

5. Staff costs

Staff costs were as follows

	2012 £000	2011 £000
Wages and salaries	5,432	5,994
Social security costs	504	555
Other pension costs (Note 23)	292	334
	<u>6,228</u>	<u>6,883</u>

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

	2012 No	2011 No
Production staff	169	140
Distribution staff	49	100
Administrative staff	21	25
	<u>239</u>	<u>265</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

	2012 £000	2011 £000
Emoluments	<u>565</u>	<u>552</u>

During the period retirement benefits were accruing to 4 directors (2011 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £277,000 (2011 - £294,000) exclusive of pension contributions

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £18,000 (2011 - £36,000)

Notes to the financial statements

For the period ended 29 September 2012

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 £52,751 (2011 £59,525) and corresponding liability at 1 October 2012 is £251,948 (2011 £199,197).

7. Interest payable

	2012 £000	2011 £000
On finance leases and hire purchase contracts	12	13

8. Other finance income

	2012 £000	2011 £000
Expected return on pension scheme assets	1,703	1,757
Interest on pension scheme liabilities	(1,370)	(1,408)
	333	349

9. Taxation

	2012 £000	2011 £000
Analysis of tax (credit)/charge in the period/year		
Current tax (see note below)		
UK corporation tax charge on profit for the period/year	-	180
Adjustments in respect of prior periods	(178)	-
Total current tax	(178)	180
Deferred tax (see note 16)		
Origination and reversal of timing differences	300	92
Tax on profit on ordinary activities	122	272

Notes to the financial statements

For the period ended 29 September 2012

9. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 25% (2011 - 28%). The differences are explained below:

	2012 £000	2011 £000
Profit on ordinary activities before tax	894	1,963
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2011 - 28%)	224	550
Effects of:		
Capital allowances for period in excess of depreciation	2	(47)
Permanent timing differences	(20)	(73)
Adjustments to tax charge in respect of prior periods	(182)	-
Short term timing difference leading to an increase/(decrease) in taxation	(208)	(233)
Group relief	6	(17)
Current tax (credit)/ charge for the period (see note above)	(178)	180

Notes to the financial statements

For the period ended 29 September 2012

10. Tangible fixed assets

	Plant & machinery £000	Assets in course of construction £000	Total £000
Cost			
At 2 October 2011	15,407	680	16,087
Additions	1,097	-	1,097
Disposals	(55)	-	(55)
Transfer	680	(680)	-
At 29 September 2012	17,129	-	17,129
Depreciation			
At 2 October 2011	13,517	-	13,517
Charge for the period	705	-	705
On disposals	(52)	-	(52)
At 29 September 2012	14,170	-	14,170
Net book value			
At 29 September 2012	2,959	-	2,959
At 1 October 2011	1,890	680	2,570

Included within the net book value of £2,959,000 is £301,000 (2011 - £401,000) 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 £97,000 (2011 - £99,000).

11. Fixed asset investments

	Investments in subsidiary companies £000	Other investments £000	Total £000
Cost or valuation			
At 2 October 2011 and 29 September 2012	5,293	25	5,318
Impairment			
At 2 October 2011	5,263	23	5,286
Charge for the period	30	2	32
At 29 September 2012	5,293	25	5,318
Net book value			
At 29 September 2012	-	-	-
At 1 October 2011	30	2	32

Notes to the financial statements

For the period ended 29 September 2012

11. Fixed asset investments (continued)

Subsidiary undertakings

The company has the following subsidiary undertakings as at 29 September 2012

Name	Class of shares	Holding
Richard Burbidge (Ireland Limited)	Ordinary IR £1	100%
Atkinson Marketing Limited	Ordinary £1	100%

12. Stocks

	29 September 2012 £000	1 October 2011 £000
Raw materials	1,415	1,380
Work in progress	635	710
Finished goods and goods for resale	3,070	3,442
	<u>5,120</u>	<u>5,532</u>

13. Debtors

	29 September 2012 £000	1 October 2011 £000
Trade debtors	5,966	6,917
Amounts owed by group undertakings	602	19
Other debtors	7	92
Prepayments and accrued income	644	415
Tax recoverable	267	-
Deferred tax asset (see note 16)	213	513
	<u>7,699</u>	<u>7,956</u>

Notes to the financial statements

For the period ended 29 September 2012

14. Creditors:

Amounts falling due within one year

	29 September 2012 £000	1 October 2011 £000
Net obligations under finance leases and hire purchase contracts	89	90
Trade creditors	1,417	1,318
Amounts owed to group undertakings	-	727
Corporation tax	-	66
Social security and other taxes	479	631
Other creditors	6	99
Accruals and deferred income	2,180	2,053
	<u>4,171</u>	<u>4,984</u>

15. Creditors:

Amounts falling due after more than one year

	29 September 2012 £000	1 October 2011 £000
Net obligations under finance leases and hire purchase contracts	<u>180</u>	<u>270</u>

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

	29 September 2012 £000	1 October 2011 £000
Between one and five years	<u>180</u>	<u>270</u>

16. Deferred tax asset

	29 September 2012 £000	1 October 2011 £000
At beginning of period/year	513	605
Charged for period/year	(300)	(92)
At end of period/year	<u>213</u>	<u>513</u>

Notes to the financial statements

For the period ended 29 September 2012

16. Deferred tax asset (continued)

The deferred tax asset is made up as follows

	29 September 2012 £000	1 October 2011 £000
Excess of taxation allowances over depreciation on fixed assets	2	68
Other timing differences	211	445
	<u>213</u>	<u>513</u>

17. Share capital

	29 September 2012 £000	1 October 2011 £000
Allotted, called up and fully paid 37,500 Ordinary shares of £1 each	<u>38</u>	<u>38</u>

18. Reserves

	Share premium account £000	Profit and loss account £000
At 2 October 2011	2,329	10,434
Profit for the period		772
Dividends Equity capital		(94)
Pension reserve movement		(823)
At 29 September 2012	<u>2,329</u>	<u>10,289</u>

The closing balance on the Profit and loss account includes a £1,141,000 (2011 - £515,000) debit, stated after deferred taxation of £181,000 (2011 - £181,000) in respect of pension scheme liabilities of the company pension scheme

Notes to the financial statements

For the period ended 29 September 2012

19. Reconciliation of movement in shareholders' funds

	29 September 2012 £000	1 October 2011 £000
Opening shareholders' funds	12,801	16,905
Profit for the period/year	772	1,691
Dividends (Note 20)	(94)	(5,600)
Other recognised gains and losses during the period/year	(823)	(195)
Closing shareholders' funds	<u>12,656</u>	<u>12,801</u>

20. Dividends

	2012 £000	2011 £000
Dividends paid on equity capital - £2 51 (2011 £149 33) per share	<u>94</u>	<u>5,600</u>

21. Contingent liabilities

There were no contingent liabilities at 29 September 2012 or 1 October 2011

22. Capital commitments

At 29 September 2012 the company had capital commitments as follows

	29 September 2012 £000	1 October 2011 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>401</u>

23. Pension commitments

The latest actuarial valuation of this scheme was at 5 April 2011 and was carried out by Aon Hewitt, an independent actuary. The actuarial value of the assets at that date was sufficient to cover 108% 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 £28.0 million at 5 April 2011. Under the SFF basis the scheme is more than 100% funded.

The company operates a Defined benefit pension scheme.

Notes to the financial statements

For the period ended 29 September 2012

23. Pension commitments (continued)

The amounts recognised in the Balance sheet are as follows

	2012 £000	2011 £000
Present value of funded obligations	(30,259)	(26,635)
Fair value of scheme assets	28,937	25,939
Deficit in scheme	(1,322)	(696)
Related deferred tax asset	317	181
Net liability	(1,005)	(515)

The pension scheme assets include ordinary shares issued by Richard Burbidge Limited with a fair value of £NIL (2011 - £NIL). Scheme assets also include property occupied by Richard Burbidge Limited with a fair value of £NIL (2011 - £NIL).

The amounts recognised in profit or loss are as follows

	2012 £000	2011 £000
Interest on obligation	(1,370)	(1,408)
Expected return on scheme assets	1,703	1,757
Total	333	349

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

	2012 £000	2011 £000
Opening defined benefit obligation	26,635	27,305
Interest cost	1,370	1,408
Actuarial Losses/(gains)	2,827	(1,700)
Benefits paid	(573)	(409)
Other benefit outgo over the period	-	31
Closing defined benefit obligation	30,259	26,635

Notes to the financial statements

For the period ended 29 September 2012

23. Pension commitments (continued)

Changes in the fair value of scheme assets are as follows

	2012 £000	2011 £000
Opening fair value of scheme assets	25,939	26,522
Expected return	1,703	1,757
Actuarial gains and (losses)	1,868	(1,900)
Benefits paid	(573)	(409)
Other benefit outgo over the period	-	(31)
	<u>28,937</u>	<u>25,939</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £959,000 (2011 - £200,000)

The company expects to contribute £NIL to its Defined benefit pension scheme in 2013

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

	2012	2011
European equities	7.40 %	8.00 %
European bonds	3.70 %	4.56 %
Property	6.90 %	7.50 %
Cash	0.50 %	0.50 %

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

	2012	2011
Discount rate at 29 September	4.60 %	5.00 %
Expected return on scheme assets at 29 September	7.40 %	6.40 %
Future pension increases	3.00 %	1.70 %
Inflation	3.00 %	0.10 %

Notes to the financial statements

For the period ended 29 September 2012

23. Pension commitments (continued)

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Defined benefit obligation	(30,259)	(26,635)	(27,305)	(29,253)	(23,394)
Scheme assets	28,937	25,939	26,522	21,223	19,480
(Deficit)/surplus	(1,322)	(696)	(783)	(8,030)	(3,914)
Experience adjustments on scheme liabilities	(2,827)	1,700	(1,115)	587	(3,367)
Experience adjustments on scheme assets	1,868	(1,900)	938	4,740	2,459

The post-retirement mortality assumptions used to value the benefit obligation at 29 September 2012 are based on the PXA92 plus 1% table with a current year of use

24. Operating lease commitments

At 29 September 2012 the company had annual commitments under non-cancellable operating leases as follows

	29 September 2012 £000	1 October 2011 £000
Expiry date.		
Within 1 year	13	17
Between 2 and 5 years	76	131

25. Related party transactions

In accordance with Financial Reporting Standard No 8 'Related party disclosures', the company is exempt from disclosing transactions with company's in the Ripat Limited Group

Notes to the financial statements

For the period ended 29 September 2012

26. 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.