

REGISTERED NUMBER: SC044008

BEATSON'S BUILDING SUPPLIES LIMITED
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012



Martin Aitken & Co
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2012**

The directors present their report with the financial statements of the company for the year ended 31 July 2012.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the supply of building materials.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

Our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole and are turnover, gross margin, operating profit and return on capital employed.

The company's turnover increased by £2,889,834 to £20,697,914 an increase of 16.2% (2011 11.36%) with gross margin increasing by £764,749 to £6,112,093 on a gross profit percentage for the year of 29.5% (2011 30.0%).

Operating profit increased to £666,256 from £595,358 in 2011. Return on capital employed has increased to 15.5% (2011 12.4%). Return on capital employed is calculated as profit before interest, and tax divided by capital employed, which constitutes total assets less current liabilities, less investments, less cash, plus overdrafts and other short term borrowings.

In the year to 31 July 2012 the company has continued to perform well in a difficult marketplace.

The continued lack of available credit coupled with the general unease in the economic situation has led to a weak demand across many parts of the construction industry. Although there have been some major construction and infrastructure projects, our customer base does not allow us entry into the supply of materials to these projects. Price inflation continues to affect the industry although at a slower rate than in previous years.

Despite the weak demand in the construction industry, the company has increased its turnover as detailed above. The company is seen as one of the most proactive and inventive in the industry, winning the 2011 Builders Merchant of the Year Award, and we continue to look for new opportunities and markets to enter into. In the past year the company has further developed the Skyline Roofing Supplies trading division and is currently developing a new ecommerce trading website. The company's continued membership of buying groups and constant review of the company overhead cost base by the directors have also contributed to the company's success in 2012.

The main challenges and threats going forward into the second half of 2012 and on to 2013 are the continued lack of credit and the overall state of the UK Economy. There are some signs of the start of a recovery in building and construction and we are currently predicting that the speed of this recovery will quicken in the third quarter of 2013 or first quarter of 2014. Being a Scottish based builders merchant, the upcoming independence vote in 2014 may also have an effect on the economy however at this stage it is too early to say what this effect will be.

DIVIDENDS

Interim dividends totalling £425,000 were paid during the year. The total distribution for the year ended 31 July 2012 will be £425,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2011 to the date of this report.

J Marshall Jnr
Mrs S Marshall
M E Northway
J R Marshall

Other changes in directors holding office are as follows:

Ms D Craw - appointed 18 June 2012
R A Boslem - appointed 18 June 2012

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2012**

CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £8,606 (2011 £5,068). The £8,606 of donations were made to a number of local groups and charities in respect of various individual issues.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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:

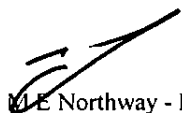
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



M E Northway - Director

18 December 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BEATSON'S BUILDING SUPPLIES LIMITED

We have audited the financial statements of Beatson's Building Supplies Limited for the year ended 31 July 2012 on pages four to twenty. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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

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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 July 2012 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 Report of the Directors 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.

Russell McGowan CA (Senior Statutory Auditor)
for and on behalf of Martin Aitken & Co
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

Date:

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2012**

	Notes	2012 £	2011 £
TURNOVER		20,697,914	17,808,080
Cost of sales		<u>14,585,821</u>	<u>12,460,736</u>
GROSS PROFIT		6,112,093	5,347,344
Administrative expenses		<u>5,540,553</u>	<u>4,923,695</u>
		571,540	423,649
Other operating income	2	<u>94,716</u>	<u>171,709</u>
OPERATING PROFIT	4	666,256	595,358
Interest payable and similar charges	5	<u>30,023</u>	<u>41,667</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		636,233	553,691
Tax on profit on ordinary activities	6	<u>208,142</u>	<u>198,093</u>
PROFIT FOR THE FINANCIAL YEAR		<u>428,091</u>	<u>355,598</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2012**

	2012	2011
	£	£
PROFIT FOR THE FINANCIAL YEAR	428,091	355,598
Unrealised loss on revaluation of fixed assets	-	(105,273)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>428,091</u>	<u>250,325</u>

The notes form part of these financial statements

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

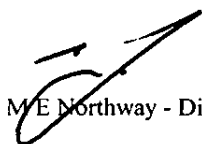
BALANCE SHEET
31 JULY 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	2,743,794	2,989,114
CURRENT ASSETS			
Stocks	9	2,057,459	1,858,086
Debtors	10	2,844,618	3,271,503
Cash in hand		3,160	3,160
		<u>4,905,237</u>	<u>5,132,749</u>
CREDITORS			
Amounts falling due within one year	11	<u>5,480,446</u>	<u>5,787,235</u>
NET CURRENT LIABILITIES		<u>(575,209)</u>	<u>(654,486)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,168,585</u>	<u>2,334,628</u>
CREDITORS			
Amounts falling due after more than one year	12	(45,730)	(212,787)
ACCRUALS AND DEFERRED INCOME	17	<u>(1,463)</u>	<u>(3,540)</u>
NET ASSETS		<u><u>2,121,392</u></u>	<u><u>2,118,301</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	315,000	315,000
Investment revaluation reserve	19	67,951	67,951
Revaluation reserve	19	607,148	621,523
Profit and loss account	19	<u>1,131,293</u>	<u>1,113,827</u>
SHAREHOLDERS' FUNDS	24	<u><u>2,121,392</u></u>	<u><u>2,118,301</u></u>

The financial statements were approved by the Board of Directors on 18 December 2012 and were signed on its behalf by:



J Marshall Jnr - Director



M E Northway - Director

The notes form part of these financial statements

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2012**

	Notes	2012 £	2011 £
Net cash inflow from operating activities	1	1,488,173	499,717
Returns on investments and servicing of finance	2	(30,023)	(41,667)
Taxation		(170,391)	(246,354)
Capital expenditure	2	(150,521)	(322,637)
Equity dividends paid		(425,000)	(300,000)
		712,238	(410,941)
Financing	2	(509,390)	(205,620)
Increase/(decrease) in cash in the period		202,848	(616,561)
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the period		202,848	(616,561)
Cash outflow from decrease in debt and lease financing		476,211	282,091
Change in net debt resulting from cash flows		679,059	(334,470)
Movement in net debt in the period		679,059	(334,470)
Net debt at 1 August		(2,713,192)	(2,378,722)
Net debt at 31 July		(2,034,133)	(2,713,192)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2012

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	666,256	595,358
Depreciation charges	391,589	418,188
Loss/(profit) on disposal of fixed assets	4,252	(900)
Government grants	(2,077)	(2,880)
Increase in stocks	(199,373)	(528,074)
Decrease/(increase) in debtors	425,674	(568,755)
Increase in creditors	201,852	586,780
Net cash inflow from operating activities	1,488,173	499,717

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest paid	(26,683)	(36,968)
Interest element of hire purchase and finance lease rental payments	(3,340)	(4,699)
Net cash outflow for returns on investments and servicing of finance	(30,023)	(41,667)
Capital expenditure		
Purchase of tangible fixed assets	(159,621)	(332,387)
Sale of tangible fixed assets	9,100	9,750
Net cash outflow for capital expenditure	(150,521)	(322,637)
Financing		
New loans in year	100,000	258,600
Loan repayments in year	(566,843)	(532,683)
Capital repayments in year	(9,368)	(8,010)
Amount introduced by directors	-	76,473
Amount withdrawn by directors	(33,179)	-
Net cash outflow from financing	(509,390)	(205,620)

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2012**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.11 £	Cash flow £	At 31.7.12 £
Net cash:			
Cash at bank and in hand	3,160	-	3,160
Bank overdraft	(1,959,216)	202,848	(1,756,368)
	<u>(1,956,056)</u>	<u>202,848</u>	<u>(1,753,208)</u>
Debt:			
Hire purchase and finance leases	(38,959)	9,368	(29,591)
Debts falling due within one year	(516,915)	296,670	(220,245)
Debts falling due after one year	(201,262)	170,173	(31,089)
	<u>(757,136)</u>	<u>476,211</u>	<u>(280,925)</u>
Total	<u>(2,713,192)</u>	<u>679,059</u>	<u>(2,034,133)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

The turnover shown in the profit and loss account represents the invoice value of goods and services rendered during the year, exclusive of value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Heritable property	- 2% straight line
Leasehold improvements	- straight line over life of lease
Plant and machinery	- 15% on cost
Furniture and fittings	- 15% on cost and straight line over term of lease
Motor vehicles	- 20% on cost and 20% on reducing balance

Land included within heritable property has not been depreciated.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Replacement cost of stock would not be materially different.

Deferred tax

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, 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 not recognised on revaluation gains. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Rentals receivable under operating leases are credited to the profit and loss account as they accrue.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2012

1. ACCOUNTING POLICIES - continued

Investment properties

The company's investment properties are held for long term investment:

(i) Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and

(ii) No depreciation or amortisation is provided in respect of investment properties.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. OTHER OPERATING INCOME

	2012	2011
	£	£
Rents received	28,503	106,357
Corporation tax supplement	-	13
Commission received	64,136	62,459
Government grants	2,077	2,880
	<u>94,716</u>	<u>171,709</u>

The rents received are in respect of amounts due under operating leases.

3. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	2,526,514	2,171,787
Social security costs	246,322	180,824
Other pension costs	45,184	43,772
	<u>2,818,020</u>	<u>2,396,383</u>

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

	2012	2011
Production staff	47	62
Administration staff	59	34
	<u>106</u>	<u>96</u>

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2012****4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2012	2011
	£	£
Hire of plant and machinery	69,679	38,452
Other operating leases	182,706	210,236
Depreciation - owned assets	384,479	409,857
Depreciation - assets on hire purchase contracts and finance leases	7,110	8,329
Loss/(profit) on disposal of fixed assets	4,252	(900)
Auditors' remuneration	20,000	20,000
Auditors' remuneration for non audit work	3,500	5,115
Government grants	(2,077)	(2,880)
	<u>431,708</u>	<u>296,968</u>
Directors' remuneration	7,388	6,382
Directors' pension contributions to money purchase schemes	<u>7,388</u>	<u>6,382</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>4</u>
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Information regarding the highest paid director is as follows:

	2012	2011
	£	£
Emoluments etc	<u>152,659</u>	<u>134,202</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest on bank loans and overdrafts	22,236	27,473
Interest on other loans	4,447	9,495
Hire purchase interest	309	698
Finance lease interest	3,031	4,001
	<u>30,023</u>	<u>41,667</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2012

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2012 £	2011 £
Current tax:		
UK corporation tax	194,149	167,494
Under provision in previous year	2,897	196
Total current tax	197,046	167,690
Deferred tax	11,096	30,403
Tax on profit on ordinary activities	208,142	198,093

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	636,233	553,691
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.330% (2011 - 28%)	161,158	155,033
Effects of:		
Disallowed expenses	13,062	12,352
Depreciation for the year in excess of capital allowances	29,222	18,481
Under provision - previous year	2,897	196
Marginal relief	(9,293)	(18,372)
Current tax charge	197,046	167,690

7. DIVIDENDS

	2012 £	2011 £
Ordinary shares of £1 each		
Interim	425,000	300,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2012

8. TANGIBLE FIXED ASSETS

	Heritable property £	Leasehold improvements £	Investment property £
COST OR VALUATION			
At 1 August 2011	1,460,000	943,308	115,500
Additions	17,190	1,657	-
Disposals	-	(280,397)	-
At 31 July 2012	1,477,190	664,568	115,500
DEPRECIATION			
At 1 August 2011	-	346,595	-
Charge for year	31,882	113,503	-
Eliminated on disposal	-	(280,397)	-
At 31 July 2012	31,882	179,701	-
NET BOOK VALUE			
At 31 July 2012	1,445,308	484,867	115,500
At 31 July 2011	1,460,000	596,713	115,500

	Plant and machinery £	Furniture and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 August 2011	455,304	991,128	1,256,761	5,222,001
Additions	3,600	84,006	53,168	159,621
Disposals	(62,168)	(16,479)	(152,974)	(512,018)
At 31 July 2012	396,736	1,058,655	1,156,955	4,869,604
DEPRECIATION				
At 1 August 2011	364,792	633,482	888,018	2,232,887
Charge for year	37,752	121,979	86,473	391,589
Eliminated on disposal	(54,365)	(10,930)	(152,974)	(498,666)
At 31 July 2012	348,179	744,531	821,517	2,125,810
NET BOOK VALUE				
At 31 July 2012	48,557	314,124	335,438	2,743,794
At 31 July 2011	90,512	357,646	368,743	2,989,114

Included in the valuation of heritable property is heritable land of £384,112 (2011 - £384,112) which is not depreciated.

Heritable property was revalued at £1,460,000 on 31 July 2011 by Graham and Sibbald Surveyors on an existing use basis. The directors are not aware of any material change in value and therefore the valuations have not been updated. If the heritable property was sold at this valuation a tax charge of approximately £25,989 would arise.

The investment properties are held for use under operating leases. The investment properties are valued by the directors at values which represent their opinion of the open market value. If the properties were sold at these values, a tax charge of approximately £7,498 would arise.

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2012**

8. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 July 2012 is represented by:

	Heritable property £	Leasehold improvements £	Investment property £
Valuation in 1997	-	-	10,702
Valuation in 2003	-	-	58,800
Valuation in 2005	-	-	10,500
Valuation in 2006	482,598	-	-
Valuation in 2009	17,208	-	(8,684)
Valuation in 2011	(138,377)	-	-
Cost	1,115,761	664,568	44,182
	<u>1,477,190</u>	<u>664,568</u>	<u>115,500</u>

	Plant and machinery £	Furniture and fittings £	Motor vehicles £	Totals £
Valuation in 1997	-	-	-	10,702
Valuation in 2003	-	-	-	58,800
Valuation in 2005	-	-	-	10,500
Valuation in 2006	-	-	-	482,598
Valuation in 2009	-	-	-	8,524
Valuation in 2011	-	-	-	(138,377)
Cost	396,736	1,058,655	1,156,955	4,436,857
	<u>396,736</u>	<u>1,058,655</u>	<u>1,156,955</u>	<u>4,869,604</u>

If heritable properties had not been revalued they would have been included at the following historical cost:

	2012 £	2011 £
Cost	1,115,761	1,098,571
Aggregate depreciation	<u>277,600</u>	<u>260,093</u>

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2012**

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Furniture and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 August 2011 and 31 July 2012	<u>40,314</u>	<u>11,409</u>	<u>51,723</u>
DEPRECIATION			
At 1 August 2011	8,068	6,094	14,162
Charge for year	<u>6,047</u>	<u>1,063</u>	<u>7,110</u>
At 31 July 2012	<u>14,115</u>	<u>7,157</u>	<u>21,272</u>
NET BOOK VALUE			
At 31 July 2012	<u>26,199</u>	<u>4,252</u>	<u>30,451</u>
At 31 July 2011	<u>32,246</u>	<u>5,315</u>	<u>37,561</u>

9. STOCKS

	2012 £	2011 £
Goods for resale	<u>2,057,459</u>	<u>1,858,086</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	2,480,202	2,681,066
Other debtors	241,589	365,317
Director's current account	9,885	-
Deferred tax asset	44,714	55,810
Prepayments and accrued income	<u>68,228</u>	<u>169,310</u>
	<u>2,844,618</u>	<u>3,271,503</u>

Further details regarding the deferred tax asset are provided in note 16.

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2012**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank loans and overdrafts (see note 13)	1,906,368	2,226,603
Other loans (see note 13)	70,245	249,528
Hire purchase contracts and finance leases (see note 14)	14,950	27,434
Trade creditors	2,750,242	2,649,635
Corporation tax payable	194,149	167,494
Social security and other taxes	100,761	92,317
VAT	187,412	200,014
Other creditors	2,521	20,122
Director's current account	-	23,294
Accruals and deferred income	253,798	130,794
	<u>5,480,446</u>	<u>5,787,235</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Bank loans (see note 13)	-	150,000
Other loans (see note 13)	31,089	51,262
Hire purchase contracts and finance leases (see note 14)	14,641	11,525
	<u>45,730</u>	<u>212,787</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2012 £	2011 £
Amounts falling due within one year or on demand:		
Bank overdrafts	1,756,368	1,959,216
Bank loans	150,000	267,387
Other loans	70,245	249,528
	<u>1,976,613</u>	<u>2,476,131</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	150,000
Other loans - 1-2 years	20,441	51,262
	<u>20,441</u>	<u>201,262</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>10,648</u>	<u>-</u>

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2012**

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts		Finance leases	
	2012	2011	2012	2011
	£	£	£	£
Net obligations repayable:				
Within one year	6,402	1,791	8,548	25,643
Between one and five years	-	6,402	14,641	5,123
	<u>6,402</u>	<u>8,193</u>	<u>23,189</u>	<u>30,766</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2012	2011	2012	2011
	£	£	£	£
Expiring:				
Within one year	6,250	-	-	2,566
Between one and five years	-	-	69,988	7,204
In more than five years	143,947	142,447	-	36,608
	<u>150,197</u>	<u>142,447</u>	<u>69,988</u>	<u>46,378</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2012	2011
	£	£
Bank overdrafts	1,756,368	1,959,216
Bank loans	150,000	417,387
Hire purchase contracts and finance leases	29,591	38,959
Other loans	101,334	215,047
	<u>2,037,293</u>	<u>2,630,609</u>

The bank borrowings are secured by a bond and floating charge over all of the company's assets.

Finance lease and hire purchase obligations are secured over the assets to which the contracts relate.

Other loans are secured against fixed assets to the extent of the loan balance outstanding.

16. DEFERRED TAX

	£
Balance at 1 August 2011	(55,810)
Transfer to profit and loss account for year	11,096
	<u>(44,714)</u>
Balance at 31 July 2012	<u>(44,714)</u>

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2012**

16. DEFERRED TAX - continued

The deferred taxation asset consists of the tax effect of timing differences in respect of the excess of depreciation on fixed assets over taxation allowances. The directors are satisfied that this asset is fully recoverable against future Corporation Tax liabilities.

17. ACCRUALS AND DEFERRED INCOME

	2012 £	2011 £
Deferred government grants	<u>1,463</u>	<u>3,540</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2012 £	2011 £
315,000	Ordinary		<u>315,000</u>	<u>315,000</u>

19. RESERVES

	Profit and loss account £	Investment revaluation reserve £	Revaluation reserve £	Totals £
At 1 August 2011	1,113,827	67,951	621,523	1,803,301
Profit for the year	428,091			428,091
Dividends	(425,000)			(425,000)
Transfer of reserves	14,375	-	(14,375)	-
At 31 July 2012	<u>1,131,293</u>	<u>67,951</u>	<u>607,148</u>	<u>1,806,392</u>

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the directors and staff of the company. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date all contributions were paid up to date.

21. CAPITAL COMMITMENTS

	2012 £	2011 £
Contracted but not provided for in the financial statements	<u>500,700</u>	<u>-</u>

22. TRANSACTIONS WITH DIRECTORS

At the balance sheet date J Marshall Jnr owed the company £9,885 (2011 £23,294 owed to him by the company). During the year there were advances to him totalling £476,675. All advances were made free of interest and without any payment terms affixed. Repayments from him during the year totalled £443,496.

BEATSON'S BUILDING SUPPLIES LIMITED (REGISTERED NUMBER: SC044008)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2012****23. RELATED PARTY DISCLOSURES**

J Marshall Jnr, who is a director of the company, is the beneficial owner of 100% of the issued share capital of the company and he is the controlling party.

J Marshall Jnr received £425,000 in dividends during the year.

Beatson's Building Supplies Limited trades with Marshall Warehousing Limited, a company which is under the control equally of one of the directors, J Marshall Jnr, his brother, Robert Marshall and his sister Jean Hunter. Included in turnover is £1,841 (2011 £3,088) of goods sold to Marshall Warehousing Limited and included in trade debtors is £358 (2011 £316) due from that company. During the previous year Marshall Warehousing Limited advanced £108,600 to Beatson's Building Supplies Limited. At the year end the company owed Marshall Warehousing Limited £nil (2011 £78,600). Interest charged on this loan during the year amounted to £730 (2011 £614).

At the balance sheet date £101,334 (2011 £215,047) is due to Beatson's Building Supplies Ltd Directors Pension Fund in respect of loans received from the fund and is included in creditors. As at 31 July 2012 there are two loans with amounts outstanding of £50,927 (2011 £70,801) and £50,407 (2011 £nil). The periods of these loans, advanced in February 2010 and September 2011, are 60 months and 24 months respectively with interest charged at a rate of at least 1% per annum over bank base rate. As at 31 July 2011 there were a further two loans with amounts outstanding of £144,246 which were fully paid off during the year. Interest charged on these loans during the year amounted to £4,505 (2011 £8,506).

Beatson's Building Supplies Limited trades on a regular basis with Sketch (Scotland) Limited, a company in which J Marshall Jnr owns 50% of the issued share capital. Included in turnover is £22,348 (2011 £24,640) of goods sold to Sketch (Scotland) Limited and included in trade debtors is £7,965 (2011 £13,408) due from that company. Included in cost of sales is £3,133 (2011 £3,644) of goods purchased from Sketch (Scotland) Limited. At the balance sheet date the company owed Sketch (Scotland) Limited £1,030 (2011 £578). The amounts due carried no interest charge. At the balance sheet date £2,495 of the amount due from Sketch (Scotland) Limited was included in the provision for bad debts. The company rented premises to Sketch (Scotland) Limited during the year. The rent received in the year was £19,000 (2011 £30,500).

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	428,091	355,598
Dividends	(425,000)	(300,000)
	<u>3,091</u>	<u>55,598</u>
Other recognised gains and losses relating to the year (net)	-	(105,273)
	<u>3,091</u>	<u>(49,675)</u>
Net addition/(reduction) to shareholders' funds	2,118,301	2,167,976
Opening shareholders' funds	<u>2,121,392</u>	<u>2,118,301</u>
Closing shareholders' funds	<u>2,121,392</u>	<u>2,118,301</u>