

REGISTERED NUMBER: 01419058 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2017
for
North Yorkshire Timber Company Limited

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for the Year Ended 31 December 2017

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North Yorkshire Timber Company Limited

Company Information
for the Year Ended 31 December 2017

DIRECTORS:

Mr N P Kershaw
Mr V Bellas
Mr R Timmens
Mr N A McGill
Mr S Whiteford
Mr J A G Douglas

REGISTERED OFFICE:

Standard House
Thurston Road
Northallerton Business Park
Northallerton
North Yorkshire
DL6 2NA

REGISTERED NUMBER:

01419058 (England and Wales)

AUDITORS:

Eura Audit (Northallerton) Limited
Statutory Auditor
87 South Parade
Northallerton
North Yorkshire
DL7 8SJ

SOLICITORS:

Newtons Solicitors Ltd trading as
Thorp Parker
Martin House
High Street
Stokesley
North Yorkshire
TS9 5AD

Strategic Report
for the Year Ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

REVIEW OF BUSINESS

The principal activities of the company are the fabrication and retail of timber and building products

Total turnover increased by 16.1% compared with the previous year. The continued strength of the UK house building market in 2017 enabled the company to continue its growth in this area, particularly with roof trusses and panellised roofing systems. As a result gross profit rose by 7.8% against 2016 and enabled the delivery of £318,583 profit for the year.

In 2014 the Company was subject to a compulsory purchase order for approximately nine per cent of the land at its manufacturing & distribution centre in Brompton on Swale. The reconfiguration of the site was completed in 2017 after three years of disruption and increased cost to the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the business continue to relate to turnover and the strength of the economy, and in particular the construction and housing sector. The UK vote to leave the European Union ("Brexit") clearly creates significant uncertainty in the wider economy, however at this point we have seen no evidence that this increased uncertainty is having any effect on our core markets. The Directors are aware of these risks and have accordingly ensured that there are strong management controls and plans in place to manage these risks.

KEY PERFORMANCE INDICATORS (KPI'S)

In addition to Turnover and profit the Company monitors the following KPI's

	<u>2017</u>	<u>2016</u>
Gross Profit %	32.0%	34.5%
Stock Turnover	4.5	4.7
Debtor Days	37	35
Creditor Days	84	69
Cash at Bank	£181,661	£394,472

CONCLUSION

The Directors are satisfied with 2017's financial performance and believe the Company is well positioned to benefit from the investments it has made and continues to make in its people, products and process.

ON BEHALF OF THE BOARD:

Mr N P Kershaw - Director

27 June 2018

Report of the Directors
for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

DIVIDENDS

Interim dividends totalling £1.67143 per share were paid throughout the year. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st December 2017 will be £167,143.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mr N P Kershaw
Mr V Bellas
Mr R Timmens

Other changes in directors holding office are as follows:

Mr N A McGill , Mr S Whiteford and Mr J A G Douglas were appointed as directors after 31 December 2017 but prior to the date of this report.

Mr D L Cook , Mr I G Stapleton and Mr M P Williams ceased to be directors after 31 December 2017 but prior to the date of this report.

CHANGE OF OWNERSHIP

The holding company was sold after the year and the company is now under new control as shown by note 27.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 December 2017

AUDITORS

The auditors, Eura Audit (Northallerton) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr N P Kershaw - Director

27 June 2018

Report of the Independent Auditors to the Members of
North Yorkshire Timber Company Limited

Opinion

We have audited the financial statements of North Yorkshire Timber Company Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
North Yorkshire Timber Company Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Peter Tarren FCA (Senior Statutory Auditor)
for and on behalf of Eura Audit (Northallerton) Limited
Statutory Auditor
87 South Parade
Northallerton
North Yorkshire
DL7 8SJ

27 June 2018

Income Statement
for the Year Ended 31 December 2017

		2017		2016 as restated	
	Notes	£	£	£	£
TURNOVER			18,635,690		16,056,860
Cost of sales			<u>12,670,015</u>		<u>10,521,523</u>
GROSS PROFIT			5,965,675		5,535,337
Distribution costs		2,525,163		2,077,135	
Administrative expenses		<u>3,499,305</u>		<u>3,232,707</u>	
			6,024,468		5,309,842
			(58,793)		225,495
Other operating income	3		<u>516,284</u>		<u>522,019</u>
OPERATING PROFIT	5		457,491		747,514
Interest payable and similar expenses	6		<u>52,058</u>		<u>67,556</u>
PROFIT BEFORE TAXATION			405,433		679,958
Tax on profit	7		<u>86,850</u>		<u>72,555</u>
PROFIT FOR THE FINANCIAL YEAR			<u>318,583</u>		<u>607,403</u>

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 December 2017

	2017	2016
Notes	£	as restated £
PROFIT FOR THE YEAR	318,583	607,403
OTHER COMPREHENSIVE INCOME		
Income tax relating to other comprehensive income	11,759	(174,762)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>11,759</u>	<u>(174,762)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>432,641</u></u>
Prior year adjustment	Note 9	
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT	<u><u>(81,000)</u></u>	
	<u><u>249,342</u></u>	

North Yorkshire Timber Company Limited (Registered number: 01419058)

Balance Sheet
31 December 2017

		2017		2016 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		4,787,452		4,806,164
Investments	12		<u>1,520</u>		<u>1,520</u>
			4,788,972		4,807,684
CURRENT ASSETS					
Stocks	13	2,718,756		2,180,968	
Debtors	14	3,453,857		2,328,043	
Cash at bank and in hand		<u>185,030</u>		<u>396,962</u>	
		6,357,643		4,905,973	
CREDITORS					
Amounts falling due within one year	15	<u>5,351,471</u>		<u>3,797,279</u>	
NET CURRENT ASSETS			<u>1,006,172</u>		<u>1,108,694</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,795,144		5,916,378
CREDITORS					
Amounts falling due after more than one year	16		(1,441,127)		(1,724,007)
PROVISIONS FOR LIABILITIES	20		<u>(286,946)</u>		<u>(288,499)</u>
NET ASSETS			<u>4,067,071</u>		<u>3,903,872</u>
CAPITAL AND RESERVES					
Called up share capital	21		100,000		100,000
Revaluation reserve	22		694,891		693,392
Capital redemption reserve	22		50,000		50,000
Retained earnings	22		<u>3,222,180</u>		<u>3,060,480</u>
SHAREHOLDERS' FUNDS			<u>4,067,071</u>		<u>3,903,872</u>

The financial statements were approved and authorised for issue by the Board of Directors on 27 June 2018 and were signed on its behalf by:

Mr N P Kershaw - Director

Statement of Changes in Equity
for the Year Ended 31 December 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	100,000	2,604,817	878,414	50,000	3,633,231
Changes in equity					
Dividends	-	(162,000)	-	-	(162,000)
Total comprehensive income	-	698,663	(185,022)	-	513,641
Balance at 31 December 2016	100,000	3,141,480	693,392	50,000	3,984,872
Prior year adjustment	-	(81,000)	-	-	(81,000)
As restated	100,000	3,060,480	693,392	50,000	3,903,872
Changes in equity					
Dividends	-	(167,143)	-	-	(167,143)
Total comprehensive income	-	328,843	1,499	-	330,342
Balance at 31 December 2017	100,000	3,222,180	694,891	50,000	4,067,071

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 December 2017

		2017	2016
	Notes	£	as restated £
Cash flows from operating activities			
Cash generated from operations	1	553,115	906,320
Interest paid		(45,537)	(58,365)
Interest element of hire purchase payments paid		(6,521)	(9,191)
Tax paid		(93,463)	(6,508)
Net cash from operating activities		<u>407,594</u>	<u>832,256</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(211,502)</u>	<u>(161,061)</u>
Net cash from investing activities		<u>(211,502)</u>	<u>(161,061)</u>
Cash flows from financing activities			
Loan repayments in year		(179,487)	(175,127)
New agreements / capital repayments		(61,393)	(22,586)
Equity dividends paid		<u>(167,143)</u>	<u>(162,000)</u>
Net cash from financing activities		<u>(408,023)</u>	<u>(359,713)</u>
(Decrease)/increase in cash and cash equivalents		<u>(211,931)</u>	<u>311,482</u>
Cash and cash equivalents at beginning of year	2	396,962	185,480
Cash and cash equivalents at end of year	2	<u><u>185,030</u></u>	<u><u>396,962</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2017

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2017	2016 as restated
	£	£
Profit before taxation	405,433	679,958
Depreciation charges	222,288	236,410
Loss on disposal of fixed assets	7,926	3,168
Finance costs	<u>52,058</u>	<u>67,556</u>
	687,705	987,092
Increase in stocks	(537,788)	(250,617)
Increase in trade and other debtors	(1,125,814)	(70,688)
Increase in trade and other creditors	<u>1,529,012</u>	<u>240,533</u>
Cash generated from operations	<u>553,115</u>	<u>906,320</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>185,030</u>	<u>396,962</u>

Year ended 31 December 2016

	31.12.16	1.1.16
	as restated	
	£	£
Cash and cash equivalents	<u>396,962</u>	<u>185,480</u>

Notes to the Financial Statements
for the Year Ended 31 December 2017

1. STATUTORY INFORMATION

North Yorkshire Timber Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill was the amount paid in connection with the acquisition of businesses and has now been fully written off.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

Freehold property	- 2% on revaluation
Short leasehold	- Straight line over 20 years
Office equipment, fixtures & fittings	- 20% on reducing balance
Handling plant	- 15% on reducing balance
Computer system	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Commercial vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Investments

Investments have been valued at cost.

3. OTHER OPERATING INCOME

	2017	2016 as restated
	£	£
Discounts received	56,709	39,177
Rents received	51,242	55,000
Recoverable costs & losses	21,000	150,108
Supplier rebates	387,333	277,734
	<u>516,284</u>	<u>522,019</u>

4. EMPLOYEES AND DIRECTORS

	2017	2016 as restated
	£	£
Wages and salaries	4,164,491	3,511,503
Social security costs	347,864	294,875
Other pension costs	49,979	85,221
	<u>4,562,334</u>	<u>3,891,599</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

4. EMPLOYEES AND DIRECTORS - continued

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

	2017	2016 as restated
Machinists, Yard & Drivers	120	100
Sales / Design	50	47
Office / Administration	22	16
Directors	<u>7</u>	<u>7</u>
	<u>199</u>	<u>170</u>

	2017 £	2016 as restated £
Directors' remuneration	397,733	357,882
Directors' pension contributions to money purchase schemes	<u>17,395</u>	<u>56,015</u>

Information regarding the highest paid director is as follows:

	2017 £	2016 as restated £
Emoluments etc	105,000	93,999
Pension contributions to money purchase schemes	<u>6,706</u>	<u>22,370</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2017 £	2016 as restated £
Other operating leases	9,388	7,137
Depreciation - owned assets	183,622	174,183
Depreciation - assets on hire purchase contracts	38,666	46,842
Loss on disposal of fixed assets	7,926	3,168
Goodwill amortisation	-	15,385
Auditors' remuneration	10,350	11,080
Auditors' remuneration for non audit work	<u>8,100</u>	<u>8,770</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 as restated £
Bank interest	5,038	11,468
Bank loan interest	40,499	46,897
Hire purchase	<u>6,521</u>	<u>9,191</u>
	<u>52,058</u>	<u>67,556</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

7. TAXATION

Analysis of the tax charge

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

	2017	2016 as restated
	£	£
Current tax:		
UK corporation tax	76,644	93,463
Deferred tax	10,206	(20,908)
Tax on profit	<u>86,850</u>	<u>72,555</u>

Tax effects relating to effects of other comprehensive income

	2017	2016
	Gross £	Net £
.	<u>-</u>	<u>11,759</u>
	Gross £	Net £
.	<u>-</u>	<u>(174,762)</u>

8. DIVIDENDS

	2017	2016 as restated
	£	£
Ordinary shares of £1 each		
Interim	<u>167,143</u>	<u>162,000</u>

9. PRIOR YEAR ADJUSTMENT

This consists of two separate items.

Firstly an adjustment was made to the estimated sale price of the land taken as part of the compulsory purchase order. The final figure was £100,000 less than previously estimated and this, less a £19,000 deferred tax movement, is shown as part of the total comprehensive income movement in 2017.

The other component represents the correction of £174,762 to the provision for deferred tax on revalued properties on conversion to FRS102. This is shown as part of the income adjustment in 2016.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2017	
and 31 December 2017	<u>179,472</u>
AMORTISATION	
At 1 January 2017	
and 31 December 2017	<u>179,472</u>
NET BOOK VALUE	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>-</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Office equipment, fixtures & fittings £	Handling plant £
COST OR VALUATION				
At 1 January 2017	4,114,993	211,936	891,210	917,270
Additions	-	11,237	69,615	89,448
Disposals	-	-	-	(50,400)
At 31 December 2017	<u>4,114,993</u>	<u>223,173</u>	<u>960,825</u>	<u>956,318</u>
DEPRECIATION				
At 1 January 2017	110,000	110,838	724,552	645,892
Charge for year	55,000	11,044	38,177	46,703
Eliminated on disposal	-	-	-	(42,474)
At 31 December 2017	<u>165,000</u>	<u>121,882</u>	<u>762,729</u>	<u>650,121</u>
NET BOOK VALUE				
At 31 December 2017	<u>3,949,993</u>	<u>101,291</u>	<u>198,096</u>	<u>306,197</u>
At 31 December 2016	<u>4,004,993</u>	<u>101,098</u>	<u>166,658</u>	<u>271,378</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

11. TANGIBLE FIXED ASSETS - continued

	Computer system £	Motor vehicles £	Commercial vehicles £	Totals £
COST OR VALUATION				
At 1 January 2017	610,218	32,328	262,950	7,040,905
Additions	41,202	-	-	211,502
Disposals	-	-	(17,500)	(67,900)
At 31 December 2017	<u>651,420</u>	<u>32,328</u>	<u>245,450</u>	<u>7,184,507</u>
DEPRECIATION				
At 1 January 2017	442,638	23,645	177,176	2,234,741
Charge for year	47,749	2,171	21,444	222,288
Eliminated on disposal	-	-	(17,500)	(59,974)
At 31 December 2017	<u>490,387</u>	<u>25,816</u>	<u>181,120</u>	<u>2,397,055</u>
NET BOOK VALUE				
At 31 December 2017	<u>161,033</u>	<u>6,512</u>	<u>64,330</u>	<u>4,787,452</u>
At 31 December 2016	<u>167,580</u>	<u>8,683</u>	<u>85,774</u>	<u>4,806,164</u>

Cost or valuation at 31 December 2017 is represented by:

	Freehold property £	Short leasehold £	Office equipment, fixtures & fittings £	Handling plant £
Valuation in 2014	513,023	-	-	-
Cost	<u>3,601,970</u>	<u>223,173</u>	<u>960,825</u>	<u>956,318</u>
	<u>4,114,993</u>	<u>223,173</u>	<u>960,825</u>	<u>956,318</u>

	Computer system £	Motor vehicles £	Commercial vehicles £	Totals £
Valuation in 2014	-	-	-	513,023
Cost	<u>651,420</u>	<u>32,328</u>	<u>245,450</u>	<u>6,671,484</u>
	<u>651,420</u>	<u>32,328</u>	<u>245,450</u>	<u>7,184,507</u>

Freehold property was last revalued in 2014 by Sanderson Weatherall LLP. There are small annual variations in these but in the opinion of the Directors, and using these valuations, the valuation at 31st December 2017 is correct.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

11. TANGIBLE FIXED ASSETS - continued

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

	Handling plant £	Computer system £	Commercial vehicles £	Totals £
COST OR VALUATION				
At 1 January 2017	87,981	46,840	136,500	271,321
Transfer to ownership	-	-	(41,000)	(41,000)
At 31 December 2017	<u>87,981</u>	<u>46,840</u>	<u>95,500</u>	<u>230,321</u>
DEPRECIATION				
At 1 January 2017	15,067	6,831	64,211	86,109
Charge for year	10,937	10,002	17,727	38,666
Transfer to ownership	-	-	(28,223)	(28,223)
At 31 December 2017	<u>26,004</u>	<u>16,833</u>	<u>53,715</u>	<u>96,552</u>
NET BOOK VALUE				
At 31 December 2017	<u>61,977</u>	<u>30,007</u>	<u>41,785</u>	<u>133,769</u>
At 31 December 2016	<u>72,914</u>	<u>40,009</u>	<u>72,289</u>	<u>185,212</u>

12. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2017 and 31 December 2017	<u>1,520</u>
NET BOOK VALUE	
At 31 December 2017	<u>1,520</u>
At 31 December 2016	<u>1,520</u>

The investments represent shares in National Merchant Buying Society Ltd.

13. STOCKS

	2017 £	2016 as restated £
Goods for resale	<u>2,718,756</u>	<u>2,180,968</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 as restated £
Trade debtors	2,272,021	1,833,775
Prepayments and accrued income	<u>1,181,836</u>	<u>494,268</u>
	<u>3,453,857</u>	<u>2,328,043</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016 as restated
	£	£
Bank loans and overdrafts (see note 17)	178,897	179,645
Hire purchase contracts (see note 18)	51,203	8,456
Trade creditors	3,556,641	2,483,414
Tax	76,644	93,463
Social security and other taxes	95,249	76,480
VAT	218,861	236,813
Deferred income	895,089	421,860
Accrued expenses	278,887	297,148
	<u>5,351,471</u>	<u>3,797,279</u>

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

	2017	2016 as restated
	£	£
Bank loans (see note 17)	1,403,726	1,582,466
Hire purchase contracts (see note 18)	37,401	141,541
	<u>1,441,127</u>	<u>1,724,007</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2017	2016 as restated
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>178,897</u>	<u>179,645</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>183,788</u>	<u>184,476</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>581,965</u>	<u>574,125</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>637,973</u>	<u>823,865</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

18. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2017	2016 as restated
	£	£
Gross obligations repayable:		
Within one year	56,383	9,626
Between one and five years	<u>43,277</u>	<u>158,009</u>
	<u>99,660</u>	<u>167,635</u>
Finance charges repayable:		
Within one year	5,180	1,170
Between one and five years	<u>5,876</u>	<u>16,468</u>
	<u>11,056</u>	<u>17,638</u>
Net obligations repayable:		
Within one year	51,203	8,456
Between one and five years	<u>37,401</u>	<u>141,541</u>
	<u>88,604</u>	<u>149,997</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016 as restated
	£	£
Bank loans	<u>1,582,623</u>	<u>1,762,111</u>

The bank borrowings were secured with a debenture incorporating a fixed and floating charge over all the assets of the company, together with first legal charges over the company's freehold property. There was also a cross guarantee with NYT (Holdings) Limited.

The bank debenture over the company's freehold property was satisfied and cleared after the year end.

On 14th February 2018 the company gave a fixed and floating charge over all freehold property in the favour of:-

- a) Mr N P Kershaw, Mr P Kershaw, Mr D L Cook & Mr M P Williams
- b) Cairngorm Capital Partners LLP
- c) PNC Financial Services UK Ltd

20. PROVISIONS FOR LIABILITIES

	2017	2016 as restated
	£	£
Deferred tax	<u>286,946</u>	<u>288,499</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

20. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2017	
As previously reported	132,737
Prior year adjustment	<u>155,762</u>
As restated	288,499
Accelerated capital allowances on revalued assets	10,206 <u>(11,759)</u>
Balance at 31 December 2017	<u>286,946</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2017 £	2016 as restated £
Number:	Class:			
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

22. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2017	3,141,480	693,392	50,000	3,884,872
Prior year adjustment	<u>(81,000)</u>			<u>(81,000)</u>
	3,060,480			3,803,872
Profit for the year	318,583			318,583
Dividends	<u>(167,143)</u>			<u>(167,143)</u>
Freehold property depreciation on revaluation	10,260	(10,260)	-	-
Deferred tax on revaluation of property	-	<u>11,759</u>	-	<u>11,759</u>
At 31 December 2017	<u>3,222,180</u>	<u>694,891</u>	<u>50,000</u>	<u>3,967,071</u>

23. PENSION COMMITMENTS

The company operates two schemes providing benefits for employees and directors and additional to those from the state. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge for the period amounted to £49,979 (2016-£85,221).

24. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of NYT (Holdings) Ltd.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

25. CONTINGENT LIABILITIES

There is a customs bond with a limit of £25,000 in place with the company's bankers. This guarantee is in respect of import duties due to HM Revenue and Customs under their VAT deferment scheme.

26. RELATED PARTY DISCLOSURES

The company pays commercial property rentals and service charges to NYT Pension Scheme. The charges for the period amounted to £192,418 (2016 - £173,152).

All of the above transactions have been undertaken at arms length and on normal commercial terms.

27. ULTIMATE CONTROLLING PARTY

At the year end, the group is controlled by Mr D L Cook, through his voting control in NYT Holdings Ltd.

After the year end the holding company was acquired by Thornbridge Sawmills Limited, a company whose ultimate controlling party was Cairngorm Capital Partners II LP, a fund managed by Cairngorm Capital Partners LLP , a partnership registered in England and Wales

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