

CASTLEWOOD HOLDINGS LIMITED

Financial Statements

FOR THE YEAR ENDED 28 FEBRUARY 2015

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CASTLEWOOD HOLDINGS LIMITED

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CASTLEWOOD HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A R Milner-Moore C R Milner-Moore S L Milner-Moore M A Milner-Moore
Company secretary	Y Jewell
Registered number	01526264
Registered office	The Sawmill Wix Nr Manningtree Colchester Essex CO11 2RS
Independent auditor	Scrutton Bland Chartered Accountants Fitzroy House Crown Street Ipswich Suffolk IP1 3LG
Bankers	Lloyds TSB plc 230 High Street Dovercourt Harwich Essex CO12 3AY
Solicitors	Birkett Long LLP Essex House 42 Crouch Street Colchester Essex CO3 3HH

CASTLEWOOD HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

The directors present their report and the financial statements for the year ended 28 February 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the group during the year was that of sawmillers, softwood distributors, and trussed rafter manufacturers.

The parent company operated as a holding company during the year, and owns all the freehold property of the group.

Results and dividends

The group profit for the year, after taxation, amounted to £646,557 (2014 - £277,847).

CASTLEWOOD HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

Directors

The directors who served during the year were:

A R Milner-Moore
C R Milner-Moore
S L Milner-Moore
M A Milner-Moore

Disclosure 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 and the group'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 relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, Scrutton Bland, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 JULY 2015 and signed on its behalf. 



Y Jewell
Company secretary



CASTLEWOOD HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

Business review

The directors are pleased with the performance of the group for the year. Activity has increased resulting in an increase in turnover, but the directors have also improved the profitability of their activities which can be seen in the key performance indicators below. The group is also in a strong position at the year end. Having invested in new plant and machinery during the year, and the group's cash at bank being increased due to the high level of activity achieved, the group has increased its gross assets without significantly increasing its liabilities.

It is the view of the directors that the market value of the freehold sites is greatly in excess of the carrying value in the accounts.

Key performance indicators

The directors regularly review the turnover, gross and net profit margins, and the net assets position. These are considered the key performance indicators and have all shown a healthy increase during the year:

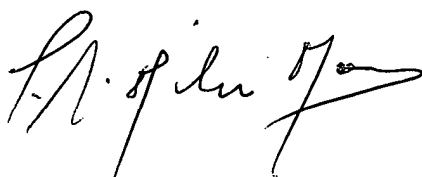
- Group turnover (including the share of joint venture turnover) has increased by 27% from £7,368,345 to £9,387,338 during the year.
- The group gross profit margin has increased 2 percentage points from 24% to 26% during the year.
- The group net profit margin has increased 3 percentage points from 4% to 7% during the year.
- The group's net assets position has increased by 9% from £3,056,781 at 28th February 2014 to £3,328,818 at 28th February 2015.



Principal risks and uncertainties

Some of the principal risks and uncertainties facing the group relate to the supply of raw materials. As the government are encouraging biomass energy production in order to cut greenhouse gases; there is becoming a shortfall of timber. The directors are of the opinion that this will not affect their business for the foreseeable future, as they have built very strong relationships with their suppliers. The directors will continue to monitor the situation, and make adjustments to their business strategy if necessary.

This report was approved by the board on 20 JULY 2015 and signed on its behalf.

Director


C.R. WILSON MOORE

CASTLEWOOD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CASTLEWOOD HOLDINGS LIMITED

We have audited the financial statements of Castlewood Holdings Limited for the year ended 28 February 2015, set out on pages 7 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group's and the parent 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 Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and the parent company's affairs as at 28 February 2015 and of the group's 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.

CASTLEWOOD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CASTLEWOOD HOLDINGS LIMITED

Other matters

As noted in the accounting policies the company and group were able to take advantage of audit exemption for the year ended 28 February 2014 and therefore the comparatives are unaudited at group level. However the comparative figures in respect of Anglian Timber Limited, the main trading company in the group, were audited during the previous year.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Sharon Bland

Sharon Gravener (Senior Statutory Auditor)

for and on behalf of

Scrutton Bland
Chartered Accountants and Statutory Auditor

Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Date: 23 July 2015

CASTLEWOOD HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	2015 £	Unaudited 2014 £
Turnover			
Group and share of joint venture's turnover		9,387,338	7,364,345
Less: share of joint venture's turnover		(399,076)	(316,378)
Group turnover	1,2	8,988,262	7,047,967
Cost of sales		(6,527,717)	(5,245,061)
Gross profit		2,460,545	1,802,906
Distribution costs		(652,385)	(619,218)
Administrative expenses		(1,016,062)	(845,826)
Operating profit	3	792,098	337,862
Share of operating profit in joint ventures		41,437	29,917
Total operating profit		833,535	367,779
Interest receivable and similar income		-	15
Interest payable and similar charges	7	(9,703)	(9,321)
Profit on ordinary activities before taxation		823,832	358,473
Tax on profit on ordinary activities	8	(177,275)	(80,626)
Profit for the financial year	22	646,557	277,847

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 13 to 31 form part of these financial statements.

CASTLEWOOD HOLDINGS LIMITED
REGISTERED NUMBER: 01526264

CONSOLIDATED BALANCE SHEET
AS AT 28 FEBRUARY 2015

			2015	Unaudited
	Note	£	£	2014
			£	£
Fixed assets				
Tangible assets	10		2,398,389	2,071,649
Investments in joint ventures				
-Share of gross assets		139,180	98,689	
-Share of gross liabilities		(57,014)	(39,486)	
Share of net assets	11		82,166	59,203
			<u>2,480,555</u>	<u>2,130,852</u>
Current assets				
Stocks	12	888,433	831,193	
Debtors	13	1,276,891	1,338,230	
Cash at bank and in hand		368,201	302,482	
		<u>2,533,525</u>	<u>2,471,905</u>	
Creditors: amounts falling due within one year	14	(1,470,912)	(1,445,358)	
Net current assets			<u>1,062,613</u>	<u>1,026,547</u>
Total assets less current liabilities			<u>3,543,168</u>	<u>3,157,399</u>
Creditors: amounts falling due after more than one year	15	(104,845)	(42,973)	
Provisions for liabilities				
Deferred tax	16	(109,505)	(57,645)	
Net assets			<u><u>3,328,818</u></u>	<u><u>3,056,781</u></u>
Capital and reserves				
Called up share capital	21	2,000	2,000	
Revaluation reserve	22	186,144	186,702	
Capital redemption reserve	22	372	372	
Profit and loss account	22	3,140,302	2,867,707	
Shareholders' funds	23	<u><u>3,328,818</u></u>	<u><u>3,056,781</u></u>	

CASTLEWOOD HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET (continued) AS AT 28 FEBRUARY 2015

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 JULY 2015



A R Milner-Moore
Director

The notes on pages 13 to 31 form part of these financial statements.

CASTLEWOOD HOLDINGS LIMITED
REGISTERED NUMBER: 01526264

COMPANY BALANCE SHEET
AS AT 28 FEBRUARY 2015

	Note	£	2015 £	£	Unaudited 2014 £
Fixed assets					
Tangible assets	10		1,690,669		1,594,541
Investments	11		600		600
			<u>1,691,269</u>		<u>1,595,141</u>
Current assets					
Debtors	13	137,384		63,301	
Cash at bank		35,298		66,822	
		<u>172,682</u>		<u>130,123</u>	
Creditors: amounts falling due within one year	14	(339,718)		(230,618)	
Net current liabilities			(167,036)		(100,495)
Total assets less current liabilities			<u>1,524,233</u>		<u>1,494,646</u>
Creditors: amounts falling due after more than one year	15		(66,667)		(25,000)
Provisions for liabilities					
Deferred tax	16		(1,318)		(1,872)
Net assets			<u>1,456,248</u>		<u>1,467,774</u>
Capital and reserves					
Called up share capital	21		2,000		2,000
Revaluation reserve	22		186,144		186,702
Capital redemption reserve	22		372		372
Profit and loss account	22		<u>1,267,732</u>		<u>1,278,700</u>
Shareholders' funds	23		<u>1,456,248</u>		<u>1,467,774</u>

CASTLEWOOD HOLDINGS LIMITED

COMPANY BALANCE SHEET (continued) AS AT 28 FEBRUARY 2015

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 JULY 2015


A R Milner-Moore
Director

The notes on pages 13 to 31 form part of these financial statements.

CASTLEWOOD HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	25	912,093	430,006
Dividends received from joint ventures		10,000	10,000
Returns on investments and servicing of finance	26	(9,703)	(9,199)
Taxation		(54,968)	(62,087)
Capital expenditure and financial investment	26	(492,740)	(263,385)
Equity dividends paid		(374,520)	(152,520)
Cash outflow before financing		(9,838)	(47,185)
Financing	26	75,557	82,565
Increase in cash in the year		65,719	35,380

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015 £	2014 £
Increase in cash in the year	65,719	35,380
Cash inflow from increase in debt and lease financing	(75,557)	(82,565)
Change in net debt resulting from cash flows	(9,838)	(47,185)
Other non-cash changes	(90,000)	-
Movement in net debt in the year	(99,838)	(47,185)
Net funds at 1 March 2014	181,630	228,815
Net funds at 28 February 2015	81,792	181,630

The notes on pages 13 to 31 form part of these financial statements.

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

1. Accounting Policies

Basis of preparation of financial statements

The financial statements incorporate the financial statements of Castlewood Holdings Limited, its subsidiary undertaking and the group's share of profits and reserves of its joint venture company.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The company and group were able to take advantage of audit exemption for the year ended 28 February 2014 and therefore the comparatives are unaudited at group level. The trading subsidiary, Anglian Timber Limited, was audited for the year ended 28 February 2014.

Certain comparatives have been restated to make their treatment consistent with this year's financial statements.

Basis of consolidation

The financial statements consolidate the accounts of Castlewood Holdings Limited and all of its subsidiary undertakings ('subsidiaries').

Turnover

Turnover represents amounts receivable in the year, exclusive of Value Added Tax.

Tangible fixed assets and depreciation

Fixed assets are recorded at cost. Advantage has been taken of the transitional arrangement of FRS 15 in respect of assets previously revalued.

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

Freehold buildings	-	1% on cost or revalued amounts
Leasehold property	-	Over the term of the lease
Plant and machinery	-	10-25% on cost
Motor vehicles	-	25% on cost
Office furniture and equipment	-	15-25% on cost
Tractor units	-	16.67% and 33.3% on cost

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

1. Accounting Policies (continued)

No depreciation is provided on freehold land.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Investments

The investments in the subsidiary undertaking and the joint venture company are included at the lower of cost and net realisable value in the individual company's financial statements.

The investment in the joint venture company is included in the group's share of profits and capital and reserves in the consolidated financial statements.

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.

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

Rentals receivable under operating leases are credited to the profit and loss account on a straight line basis over the lease term.

Stocks

Stocks represent raw materials and finished goods. These 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 expenditure and an appropriate proportion of production related fixed and variable overheads. There is no material difference between the book value of stocks and replacement cost.

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

1. Accounting Policies (continued)

Pension costs

Contributions in respect of each company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

Taxation

The charge for taxation is based on the result for the year. The charge also takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation on all timing differences. The rate of tax used is that which is expected to be applied when the liability is expected to crystallise, based on tax rates that have been enacted by the balance sheet date. Deferred tax assets are recognised if their recovery is sufficiently certain.

2. Turnover

The group turnover is wholly attributable to the principal business activities.

All turnover arose within the United Kingdom.

3. Operating profit

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

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the group	137,522	108,444
- held under hire purchase agreements	37,978	33,614
Auditor's remuneration	15,950	8,375
Profit on disposal of tangible fixed assets	(9,500)	(14,159)

4. Profit for the financial year

The company has taken advantage of the exemption contained within Section 408 of the Companies Act 2006 not to present its own Profit and Loss Account. The group profit includes profit of £363,762 (2014: £187,576) attributable to the company.

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015 £	Unaudited 2014 £
Wages and salaries	1,519,300	1,221,386
Social security costs	133,114	108,622
Other pension costs	43,696	35,429
	<u>1,696,110</u>	<u>1,365,437</u>

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

	2015 No.	2014 No.
Production	45	41
Administration	10	9
Distribution	6	5
Directors	8	8
	<u>69</u>	<u>63</u>

6. Directors' remuneration

	2015 £	2014 £
Remuneration	<u>160,000</u>	<u>60,000</u>
Company pension contributions to defined contribution pension schemes	<u>10,640</u>	<u>10,640</u>

During the year retirement benefits were accruing to 2 directors (2014 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £65,000 (2014 - £25,640).

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

7. Interest payable

	2015 £	Unaudited 2014 £
Loan interest payable	6,066	5,393
Hire purchase interest payable	3,637	3,821
Share of joint venture's interest payable	-	107
	<u>9,703</u>	<u>9,321</u>

8. Taxation

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	116,941	55,425
Adjustments in respect of prior periods	-	101
	<u>116,941</u>	<u>55,526</u>
Share of joint venture's current tax	7,046	6,060
Total current tax	<u>123,987</u>	<u>61,586</u>
Deferred tax		
Accelerated capital allowances	51,860	19,126
Share of joint ventures' deferred tax	1,428	(86)
Total deferred tax (see note 16)	<u>53,288</u>	<u>19,040</u>
Tax on profit on ordinary activities	<u>177,275</u>	<u>80,626</u>

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21.17% (2014 - 23.08%). The differences are explained below:

	2015 £	Unaudited 2014 £
Profit on ordinary activities before tax	<u>823,832</u>	<u>358,473</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.17% (2014 - 23.08%)	174,405	82,736
Effects of:		
Expenses not deductible for tax purposes	2,378	2,216
Capital allowances for year in excess of depreciation	(50,340)	(18,413)
Other timing differences leading to an increase (decrease) in taxation	492	(365)
Change of tax rate of joint venture	(1,726)	(820)
Marginal relief	(1,222)	(3,768)
Current tax charge for the year (see note above)	<u><u>123,987</u></u>	<u><u>61,586</u></u>

9. Dividends

Equity dividends

Paid during the year:

	2015 £	2014 £
Dividends on equity shares	<u><u>374,520</u></u>	<u><u>152,520</u></u>

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

10. Tangible fixed assets

Group	Land and buildings £	Plant and machinery £	Motor vehicles £	Office furniture and equipment £
Cost or valuation				
At 1 March 2014	1,804,312	977,680	116,511	55,397
Additions	116,072	224,873	161,295	-
Disposals	-	-	(21,465)	-
At 28 February 2015	1,920,384	1,202,553	256,341	55,397
Depreciation				
At 1 March 2014	223,572	654,123	79,126	39,430
Charge for the year	15,344	65,407	51,938	5,681
On disposals	-	-	(21,465)	-
At 28 February 2015	238,916	719,530	109,599	45,111
Net book value				
At 28 February 2015	1,681,468	483,023	146,742	10,286
At 28 February 2014	1,580,740	323,557	37,385	15,967

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

10. Tangible fixed assets (continued)

Group	Tractor units £	Total £
Cost or valuation		
At 1 March 2014	199,473	3,153,373
Additions	-	502,240
Disposals	-	(21,465)
At 28 February 2015	199,473	3,634,148
Depreciation		
At 1 March 2014	85,473	1,081,724
Charge for the year	37,130	175,500
On disposals	-	(21,465)
At 28 February 2015	122,603	1,235,759
Net book value		
At 28 February 2015	76,870	2,398,389
At 28 February 2014	114,000	2,071,649

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2015 £	2014 £
Motor vehicles	83,587	5,743
Tractor units	44,752	92,269
	128,339	98,012

Included in freehold land and buildings is land valued at £293,317 which is not depreciated. The land and buildings of the main site were revalued to £448,905 in 1993 and the adjacent land was revalued to £250,000 in 1997. The directors have adopted the transitional arrangements set out in Financial Reporting Standard 15 and do not, in future, intend to update this valuation.

On a historical cost basis, freehold land and buildings would have been included as follows:

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015 £	2014 £
Cost	417,332	417,332
Depreciation	(69,021)	(66,324)
Net book value	<u>348,311</u>	<u>351,008</u>

The net book value of land and buildings for both the group and the company comprises:

	2015 £	2014 £
Freehold	1,669,758	1,568,912
Short leasehold	11,710	11,828
Net book value	<u>1,681,468</u>	<u>1,580,740</u>

Included within fixed assets of the company and the group are assets held for use in operating leases. The company receives a lease rental for the use of these assets. The cost of the assets subject to leases is £1,917,494 (2014 - £1,801,422) and the accumulated depreciation is £236,026 (2014 - £220,682).

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

Company	Freehold land and buildings £	Motor vehicles £	Total £
Cost or valuation			
At 1 March 2014	1,801,422	18,401	1,819,823
Additions	116,072	-	116,072
At 28 February 2015	1,917,494	18,401	1,935,895
Depreciation			
At 1 March 2014	220,682	4,600	225,282
Charge for the year	15,344	4,600	19,944
At 28 February 2015	236,026	9,200	245,226
Net book value			
At 28 February 2015	1,681,468	9,201	1,690,669
At 28 February 2014	1,580,740	13,801	1,594,541

11. Fixed asset investments

Group	Investment in joint venture £
Cost	
At 1 March 2014	59,203
Share of retained profit	22,963
At 28 February 2015	82,166
Net book value	
At 28 February 2015	82,166
At 28 February 2014	59,203

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Anglian Timber Limited	Ordinary	100%

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

11. Fixed asset investments (continued)

Name	Business	Registered office
Anglian Timber Limited	Softwood distributors and trussed rafter manufacturers	UK

The aggregate of the share capital and reserves as at 28 February 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Anglian Timber Limited	<u>1,791,004</u>	<u>460,600</u>

Joint venture

Name	Country of incorporation	Class of shares	Holding	Principal activity
Boxley Timber and Fencing Supplies Limited	UK	Ordinary	50%	Timber and fencing distributors

Company	Investment in subsidiary company £	Investment in joint venture £	Total £
Cost or valuation			
At 1 March 2014 and 28 February 2015	<u>100</u>	<u>500</u>	<u>600</u>
Net book value			
At 28 February 2015	<u>100</u>	<u>500</u>	<u>600</u>
At 28 February 2014	<u>100</u>	<u>500</u>	<u>600</u>

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

12. Stocks

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Raw materials and finished goods	888,433	831,193	-	-

There is no material difference between the book value of stocks and replacement cost.

13. Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	1,276,242	1,336,080	-	-
Amounts due from subsidiary	-	-	137,384	63,301
Other debtors	649	2,150	-	-
	1,276,891	1,338,230	137,384	63,301

14. Creditors: Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Loans	50,000	50,000	50,000	50,000
Hire purchase	41,564	27,879	-	-
Trade creditors	849,528	1,017,710	19,805	210
Corporation tax	117,398	55,425	45,949	49,029
Other taxes	59,253	96,898	27,214	38,729
Other creditors	207,090	129,791	196,750	92,650
Accruals and deferred income	146,079	67,655	-	-
	1,470,912	1,445,358	339,718	230,618

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

15. Creditors: Amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Loans	66,667	25,000	66,667	25,000
Hire purchase	38,178	17,973	-	-
	104,845	42,973	66,667	25,000

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Between one and five years	38,178	17,973	-	-

Amounts due under hire purchase obligations are secured against the assets to which they relate.

16. Deferred taxation

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
At beginning of year	57,645	38,519	1,872	-
Movement during the year	51,860	19,126	(554)	1,872
At end of year	109,505	57,645	1,318	1,872

The provision for deferred taxation is made up as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	109,505	57,645	1,318	1,872

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

16. Deferred taxation (continued)

No provision has been made for deferred tax on the revaluation of land and buildings as they are not expected to be sold in the foreseeable future. If they were to be sold, the potential tax charge would be approximately £37,000 based on a corporation tax rate of 20%.

17. Contingencies

Under a group registration the company is jointly and severally liable for value added tax due by other group companies.

The company has given limited and unlimited guarantees to the group's bankers in respect of subsidiary undertakings and Lumberjacks Limited, a company under common control and ownership.

18. Pension commitments

The company has made pension contributions to defined contribution pension schemes on behalf of the directors. The total amount paid during the year was £10,640 (2014 - £10,640).

19. Operating lease commitments

At 28 February 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2015	Other
	2015	2014		
Group	£	£	£	£
Expiry date:				
Within 1 year	-	-	16,587	25,941
Between 2 and 5 years	-	-	4,938	32,264
After more than 5 years	-	-	34,584	-

20. Related party transactions

The company is controlled by the Milner-Moore family.

The company is taking advantage of the exemption provided by FRS 8, related party transactions, not to disclose transactions between group companies where the subsidiary is wholly owned within the group.

At the balance sheet date, the company was owed £137,384 (£64,389) from Anglian Timber Limited, a wholly owned subsidiary.

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

20. Related party transactions (continued)

During the year, the company paid dividends of £68,928 to the Chris Milner-Moore 2011 Family Settlement, a shareholder of Castlewood Holdings Limited.

During the year, contributions of £10,000 (2014: £10,000) were paid to the Castlewood Holdings Limited Retirement Benefits Scheme, a scheme in which the company's directors are members.

During the year the company received a dividend of £10,000 (2014 - £10,000) from Boxley Timber & Fencing Supplies, a joint venture company. The group made sales of £258,020 (2014: £173,873) and purchases of £250 (2014: £2,867) to Boxley Timber & Fencing Supplies Limited during the year. At the balance sheet date Boxley Timber & Fencing Supplies Limited owed the Group £31,147 (2014: £18,373).

During the year the group made sales of £387,697 (2014: £330,384) and purchases of £25,525 (2014: £30,012) to Lumberjacks Limited, a company under common control and ownership. At the balance sheet date the group was owed £45,555 (2014 - £60,989) from Lumberjacks Limited. In addition to this, a loan was entered into during the year of which £50,000 fell due within one year, and £66,667 fell due after more than one year from the balance sheet date. These amounts are included in creditors. Interest is charged on this loan at a rate of 3% per annum.

Transactions with directors

During the year the company paid dividends to the directors as follows:

C R Milner-Moore £97,070
A R Milner-Moore £111,451
S L Milner-Moore £97,070

At the balance sheet date, Castlewood Holdings Limited owed £90,000 to Mr C R Milner-Moore, a director and shareholder. This balance is included within other creditors and interest is charged on this at a rate of 5% per annum..

21. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
2,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

22. Reserves

Group	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 March 2014	372	186,702	2,867,707
Profit for the financial year	-	-	646,557
Dividends: equity capital	-	-	(374,520)
Transfer between Revaluation reserve and P/L account	-	(558)	558
At 28 February 2015	<u>372</u>	<u>186,144</u>	<u>3,140,302</u>
Company	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 March 2014	372	186,702	1,278,700
Profit for the financial year	-	-	362,994
Dividends: Equity capital	-	-	(374,520)
Transfer between Revaluation reserve and P/L account	-	(558)	558
At 28 February 2015	<u>372</u>	<u>186,144</u>	<u>1,267,732</u>

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

23. Reconciliation of movement in shareholders' funds

	2015	Unaudited 2014
Group	£	£
Opening shareholders' funds	3,056,781	2,931,454
Profit for the financial year	646,557	277,847
Dividends (Note 24)	(374,520)	(152,520)
Closing shareholders' funds	<u>3,328,818</u>	<u>3,056,781</u>

	2015	Unaudited 2014
Company	£	£
Opening shareholders' funds	1,467,774	1,432,718
Profit for the financial year	362,994	187,576
Dividends (Note 24)	(374,520)	(152,520)
Closing shareholders' funds	<u>1,456,248</u>	<u>1,467,774</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account.

24. Dividends

	2015	2014
	£	£
Dividends paid on equity capital	<u>374,520</u>	<u>152,520</u>

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

25. Net cash flow from operating activities

	2015 £	Unaudited 2014 £
Operating profit	792,098	337,862
Depreciation of tangible fixed assets	175,500	142,058
Profit on disposal of tangible fixed assets	(9,500)	(14,159)
Increase in stocks	(57,240)	(164,709)
Decrease/(increase) in debtors	61,337	(385,757)
(Decrease)/increase in creditors	(50,102)	514,711
Net cash inflow from operating activities	912,093	430,006

26. Analysis of cash flows for headings netted in cash flow statement

	2015 £	Unaudited 2014 £
Returns on investments and servicing of finance		
Interest received	-	15
Interest paid	(6,066)	(5,393)
Hire purchase interest	(3,637)	(3,821)
Net cash outflow from returns on investments and servicing of finance	(9,703)	(9,199)

	2015 £	Unaudited 2014 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(310,534)
Sale of intangible fixed assets	-	47,149
Purchase of tangible fixed assets	(502,240)	-
Sale of tangible fixed assets	9,500	-
Net cash outflow from capital expenditure	(492,740)	(263,385)

CASTLEWOOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

26. Analysis of cash flows for headings netted in cash flow statement (continued)

	2015 £	Unaudited 2014 £
Financing		
New secured loans	41,667	75,000
New finance leases	33,890	7,565
Net cash inflow from financing	75,557	82,565

27. Analysis of changes in net funds

	Unaudited 1 March 2014 £	Cash flow £	Other non-cash changes £	28 February 2015 £
Cash at bank and in hand	302,482	65,719	-	368,201
Debt:				
Finance leases	(45,852)	(33,890)	-	(79,742)
Debts due within one year	(50,000)	(41,667)	(48,333)	(140,000)
Debts falling due after more than one year	(25,000)	-	(41,667)	(66,667)
Net funds	181,630	(9,838)	(90,000)	81,792