

COMPANY REGISTRATION NUMBER: 07009898

GLOBAL TIMBER PRODUCTS LTD

FILLETED UNAUDITED FINANCIAL STATEMENTS

30 September 2017

GLOBAL TIMBER PRODUCTS LTD

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2017

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GLOBAL TIMBER PRODUCTS LTD

STATEMENT OF FINANCIAL POSITION

30 September 2017

| | Note | 2017 £ | 2016 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 166,801 | 311,171 |
| Current assets | | | |
| Stocks | | 1,396,222 | 1,146,563 |
| Debtors | 6 | 1,927,661 | 1,763,970 |
| Cash at bank and in hand | | 1,951 | 1,084 |
| | | <u>3,325,834</u> | <u>2,911,617</u> |
| Creditors: amounts falling due within one year | 7 | 2,805,513 | 2,683,641 |
| | | <u>520,321</u> | <u>227,976</u> |
| Net current assets | | | |
| | | <u>687,122</u> | <u>539,147</u> |
| Total assets less current liabilities | | | |
| Creditors: amounts falling due after more than one year | 8 | 15,105 | 87,771 |
| Provisions | | | |
| Taxation including deferred tax | | 15,791 | 22,875 |
| | | <u>656,226</u> | <u>428,501</u> |
| Net assets | | | |
| Capital and reserves | | | |
| Called up share capital | | 100 | 100 |
| Profit and loss account | | 656,126 | 428,401 |
| | | <u>656,226</u> | <u>428,501</u> |
| Shareholders funds | | | |
| | | <u>656,226</u> | <u>428,501</u> |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

GLOBAL TIMBER PRODUCTS LTD

STATEMENT OF FINANCIAL POSITION *(continued)*

30 September 2017

These financial statements were approved by the board of directors and authorised for issue on 7 September 2018
, and are signed on behalf of the board by:

I Freeman

Director

Company registration number: 07009898

GLOBAL TIMBER PRODUCTS LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 8 Woodland Road, Stanton, Burton on Trent, DE15 9TH. The principal activity of the company during the year was that of a timber merchants .

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis .

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows: Estimated useful lives and residual values of fixed assets Depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other companies operating in the sector and actual asset lives and residual values, as evidenced by disposals during the current and prior accounting periods.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. The company sells timber products. Income is derived from the sale of timber products and is recognised on the delivery of the goods. The turnover reported in the profit and loss account is exclusive of Value Added Tax and is wholly undertaken in the UK.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|-----------------------|---|-------------------------|
| Plant and machinery | - | 25% straight line |
| Fixtures and fittings | - | 25% - 33% Straight line |
| Motor vehicles | - | 33% straight line |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 21 (2016: 16).

5. Tangible assets

| | Land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|-----------------------------|----------------------------|-----------------------------|-------------------------------|---------------------|-------------------|
| Cost | | | | | |
| At 1 October 2016 | 215,941 | 88,668 | 56,544 | 106,470 | 467,623 |
| Additions | 7,627 | 1,635 | 1,449 | 3,780 | 14,491 |
| Disposals | (115,284) | — | — | — | (115,284) |
| At 30 September 2017 | 108,284 | 90,303 | 57,993 | 110,250 | 366,830 |
| Depreciation | | | | | |
| At 1 October 2016 | — | 39,082 | 41,880 | 75,490 | 156,452 |
| Charge for the year | — | 18,103 | 8,342 | 17,132 | 43,577 |
| At 30 September 2017 | — | 57,185 | 50,222 | 92,622 | 200,029 |
| Carrying amount | | | | | |
| At 30 September 2017 | 108,284 | 33,118 | 7,771 | 17,628 | 166,801 |
| At 30 September 2016 | 215,941 | 49,586 | 14,664 | 30,980 | 311,171 |

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

| | Plant and machinery £ | Motor vehicles £ | Total £ |
|-----------------------------|-----------------------------|---------------------|---------------|
| At 30 September 2017 | 21,375 | 14,218 | 35,593 |
| At 30 September 2016 | 32,063 | 28,341 | 60,404 |

6. Debtors

| | 2017 £ | 2016 £ |
|---|------------------|-----------|
| Trade debtors | 1,590,412 | 1,446,363 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 58,000 | 58,000 |
| Other debtors | 279,249 | 259,607 |
| | 1,927,661 | 1,763,970 |

7. Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|---|------------------|-----------|
| Bank loans and overdrafts | 50,619 | 194,675 |
| Trade creditors | 1,136,716 | 1,202,219 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 108,349 | 66,349 |
| Corporation tax | 184,236 | 77,665 |
| Social security and other taxes | 114,533 | 97,054 |
| Other creditors | 1,211,060 | 1,045,679 |
| | 2,805,513 | 2,683,641 |

Other creditors includes Invoice Finance amounting to £1,127,155 (2016: £982,756). The invoice finance creditor is held with RBS Invoice Finance Limited and all monies due are secured by way of a fixed and floating charge dated 10 March 2015 over all the assets of the company. The bank loan is held with The Royal Bank of Scotland Plc and is secured by way of a fixed charge debenture dated 13 November 2014 over the freehold property, 8 Woodland Road, Stanton, Burton-on-Trent. Also a fixed and floating charge dated 30 October 2014 over all property and undertaking of the company. Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Creditors: amounts falling due after more than one year

| | 2017 | 2016 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | — | 49,378 |
| Other creditors | 15,105 | 38,393 |
| | <u>15,105</u> | <u>87,771</u> |

9. Events after the end of the reporting period

There were no significant events up to the date of approval of the financial statements by the board.

10. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

| | 2017 | | | |
|-----------|----------------------------|--|-------------------|------------------------|
| | Balance brought forward | Advances/ (credits) to the directors | Amounts repaid | Balance outstanding |
| | £ | £ | £ | £ |
| B Brown | 61,915 | 89,411 | (70,470) | 80,856 |
| I Freeman | 86,016 | 101,648 | (106,948) | 80,716 |
| R Grant | 97,772 | 109,710 | (106,081) | 101,401 |
| | <u>245,703</u> | <u>300,769</u> | <u>(283,499)</u> | <u>262,973</u> |
| | 2016 | | | |
| | Balance brought forward | Advances/ (credits) to the directors | Amounts repaid | Balance outstanding |
| | £ | £ | £ | £ |
| B Brown | 50,166 | 71,749 | (60,000) | 61,915 |
| I Freeman | 82,941 | 88,595 | (85,520) | 86,016 |
| R Grant | 85,064 | 105,808 | (93,100) | 97,772 |
| | <u>218,171</u> | <u>266,152</u> | <u>(238,620)</u> | <u>245,703</u> |

11. Related party transactions

The company has taken advantage of the exemption from the disclosures according to FRS 102 Section 33.1A, regarding the transactions between fellow group companies, where the subsidiary party to the transaction is wholly owned by such a member.

12. Controlling party

The ultimate parent undertaking is GTP (Midlands) Holding Limited , a company registered in England and Wales.

13. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 October 2015.

No transitional adjustments were required in equity or profit or loss for the year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.