

PREMIUM TIMBER PRODUCTS LIMITED
(Registered Number 02232367)

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2016



PREMIUM TIMBER PRODUCTS LIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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PREMIUM TIMBER PRODUCTS LIMITED

DIRECTORS AND ADVISORS

Directors

D Barnett
C Rudd
C A Westley

Secretary

D Barnett

Auditor

KPMG LLP
8 Princes Parade
Liverpool
L3 1QH

Banker

HSBC Bank plc
West and Wales Corporate Banking Centre
3 Rivergate
Temple Quay
Bristol
BS1 6ER

Registered Office

Hadleigh House
Hadleigh Park
Grindley Lane
Blythe Bridge
Stoke-on-Trent
ST11 9LW

Registered Number

02232367

PREMIUM TIMBER PRODUCTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their Strategic report for the year ended 31 December 2016.

REVIEW OF THE BUSINESS

The Directors are pleased with the financial performance for the financial year which has been impacted by sterling weakness following the Brexit result.

Financial position

The position of the Company at the end of the year is set out in the Balance Sheet on page 8.

Future prospects

With consumer purchasing habits leaning further towards convenience shopping, the Company is well placed to capitalise. Investment in packaging capability for this purpose has positioned the business well to maximise such potential. Continued focus on the ability to support such a fast-changing trading environment provides us with confidence for the future. All of this dovetails into closer trading partnerships with our major customers as their own reliance on our logistic solution capabilities increases.

The Company's trade remains, in the main, with large, well-financed international companies with strong brand identities, good quality reputations and leading market share within their sectors.

MATTERS OF STRATEGIC IMPORTANCE

The company continues to operate in a highly competitive market which is a continuing risk to the company and could result in losing sales to our key competitors. The Company continues to manage this risk by seeking to broaden its customer base whilst also introducing new product offers to keep ahead of the competition. Strong customer relationships remain key to minimising such risks.

The Company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk.



D Barnett
Director

Hadleigh House
Hadleigh Park
Grindley Lane
Blythe Bridge
Stoke-on-Trent
ST11 9LW

Date: 5 April 2017

PREMIUM TIMBER PRODUCTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements of the Company for the year ended 31 December 2016.

Principal activities

The principal activity of the Company is the sourcing, importing and distribution of mainly wood-based products to the DIY and Trade Merchant sectors.

Results and Dividends

The Company's operating profit for the year was £773,000 (2015: £1,597,000) and retained profit transferred to reserves was £181,000 (2015: £202,000). During the year the Company paid dividends of £nil (2015: £2,002,000). The directors do not recommend payment of a final dividend (2015: £nil).

Directors

The directors who held office during the year were as follows:

D Barnett
C Rudd
C A Westley

Going concern

The directors' considerations in preparing these financial statements on a going concern basis are set out in the accounting policies on page 10.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will, therefore, continue in office.

On behalf of the Board



D Barnett
Director

Hadleigh House
Hadleigh Park
Grindley Lane
Blythe Bridge
Stoke-on-Trent
ST11 9LW

Date: 5 April 2017

PREMIUM TIMBER PRODUCTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the 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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP
8 Princes Parade
Liverpool
L3 1QH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIUM TIMBER PRODUCTS LIMITED

We have audited the financial statements of Premium Timber Products Limited for the year ended 31 December 2016 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIUM TIMBER PRODUCTS LIMITED (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Hywel Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

Date: 6 April 2017

PREMIUM TIMBER PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

		31 December 2016 £000	31 December 2015 £000
Turnover	Note 1	30,662	29,437
Cost of sales		(24,663)	(22,887)
Gross profit		5,999	6,550
Distribution costs		(3,430)	(3,689)
Administrative expenses		(1,796)	(1,264)
Operating profit	2 - 3	773	1,597
Cost of fundamental reorganisation	4	(419)	(1,248)
Profit before interest and tax		354	349
Interest payable and similar charges	5	(120)	(85)
Profit on ordinary activities before taxation		234	264
Tax charge on profit on ordinary activities	6	(53)	(62)
Profit on ordinary activities after taxation		181	202
Other comprehensive income		-	-
Total comprehensive income for the year		181	202

The results shown above derive from continuing operations in both the current and preceding year.

The accounting policies and notes on pages 10 to 21 form part of these financial statements.

PREMIUM TIMBER PRODUCTS LIMITED

BALANCE SHEET AT 31 DECEMBER 2016


	Note	31 December 2016 £000	31 December 2015 £000
Fixed assets			
Tangible assets	7	131	81
		131	81
Current assets			
Stocks	8	3,346	4,007
Debtors	9	7,620	5,022
Cash at bank and in hand		1,990	200
		12,956	9,229
Creditors: amounts falling due within one year	10	(6,755)	(3,003)
Net current assets		6,201	6,226
Total assets less current liabilities		6,332	6,307
Provisions for liabilities and charges	12	(848)	(1,004)
Net assets		5,484	5,303
Capital and reserves			
Called up share capital	13	150	150
Share premium account		67	67
Capital redemption reserve		263	263
Profit and loss account		5,004	4,823
Shareholder's funds		5,484	5,303

The accounting policies and notes on pages 10 to 21 form part of these financial statements.

The financial statements were approved by the board of directors on 5 April 2017 and were signed on its behalf by:



D Barnett
Director



C Rudd
Director

Company registration no. 02232367

PREMIUM TIMBER PRODUCTS LIMITED
STATEMENT OF CHANGES IN EQUITY

	Called up share capital	Share premium	Capital redemption reserve	Profit and loss account	Total shareholder's equity
	£000	£000	£000	£000	£000
Balance at 1 January 2015	150	67	263	6,623	7,103
Profit for the year	-	-	-	202	202
Dividends	-	-	-	(2,002)	(2,002)
Balance at 31 December 2015	150	67	263	4,823	5,303

	Called up Share capital	Share premium	Capital redemption reserve	Profit and loss account	Total shareholder's equity
	£000	£000	£000	£000	£000
Balance at 1 January 2016	150	67	263	4,823	5,303
Profit for the year	-	-	-	181	181
Dividends	-	-	-	-	-
Balance at 31 December 2016	150	67	263	5,004	5,484

The accounting policies and notes on pages 10 to 21 form part of these financial statements.

PREMIUM TIMBER PRODUCTS LIMITED

ACCOUNTING POLICIES

Premium Timber Products Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, The Hadleigh Timber Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of The Hadleigh Timber Group Limited are available to the public and may be obtained from the registered office. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The Company is profitable and has net assets that are considered by the directors to be fully recoverable, on this basis, the directors believe it is appropriate to prepare the accounts on a going concern basis.

Related parties

The Company has taken advantage of the exemption contained in FRS 102.33.1A not to disclose transactions with entities that are part of the group headed by The Hadleigh Timber Group Limited on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the Group are publicly available.

Hadleigh PVT Limited and Hadleigh Industrial Estates Limited are ultimately owned by Mr CM Meade t/a Hadleigh Partners and are defined as related undertakings for the purposes of these financial statements.

PREMIUM TIMBER PRODUCTS LIMITED

ACCOUNTING POLICIES (CONTINUED)

Turnover and revenue recognition

Turnover represents the value of goods dispatched to customers during the period, net of discounts and rebates, less returns and excluding value added tax. Sales are recognised at the point of dispatch to customers and rebates are recognised at the same time as the revenue to which they relate.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

The provision for dilapidations and deferred repairs relates to the estimated likely future costs to be incurred to comply with obligations for properties under full repairing leases where the timings of the costs involved within the lease periods remain uncertain.

Provision is made to cover the likely future excess of cost over revenue under onerous contracts on a discounted basis.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

PREMIUM TIMBER PRODUCTS LIMITED

ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Leasehold property	Over lease term
Carbon Trust Improvements	25% straight line
Plant and equipment	25% reducing balance
Office equipment	25% straight line

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

PREMIUM TIMBER PRODUCTS LIMITED

ACCOUNTING POLICIES (CONTINUED)

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

PREMIUM TIMBER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Turnover

The whole of the turnover is attributable to the principal activity of the company and originates in, and is destined for customers in, the United Kingdom.

2 Expenses and auditor's remuneration

	31 December 2016 £000	31 December 2015 £000
<i>Profit on ordinary activities before taxation is stated after charging / (crediting):</i>		
Depreciation of tangible fixed assets:		
- Owned assets	85	57
Operating lease rentals		
- Other	329	441
- Plant and machinery	187	199
Loss on disposal of tangible assets	-	6
Gain on foreign exchange transactions	(66)	(210)
Auditor's remuneration		
Audit of these financial statements	17	18
Other services relating to taxation	6	5
	23	23

PREMIUM TIMBER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

3 Staff costs

Particulars of employees (including executive directors) are shown below:

Employee costs during the year amounted to:

	31 December 2016 £000	31 December 2015 £000
Wages and salaries	1,355	1,579
Social security costs	133	154
Other pension costs	80	102
	1,568	1,835

The average monthly numbers of persons employed by the Company during the year were as follows:

	31 December 2016 Number	31 December 2015 Number
Office and management	16	22
Warehouse and distribution staff	31	34
	47	56

Directors' remuneration is as follows:

	31 December 2016 £000	31 December 2015 £000
Emoluments excluding pension contributions	127	199
Company contributions to money purchase pension scheme	12	16
	139	215

The remuneration for the highest paid director in the year was £127,000 (2015: £118,000). Pension contributions of £12,000 (2015: £12,000) were paid on his behalf.

	31 December 2016 Number	31 December 2015 Number
Retirement benefits are accruing to the following number of directors under: Money purchase scheme	1	2

PREMIUM TIMBER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2016 *(CONTINUED)*

4 Costs of fundamental reorganisation

	31 December 2016 £000	31 December 2015 £000
Dilapidations	30	200
Onerous lease	-	693
Other costs	389	355
	419	1,248

Other costs relate to the closure of the Dewsbury site.

The tax impact of the fundamental reorganisation cost is £84,000 credit (2015: £253,000).

5 Interest payable and similar charges

	31 December 2016 £000	31 December 2015 £000
On bank loans and overdrafts	-	73
Invoice discounting	120	12
	120	85

PREMIUM TIMBER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

6 Tax on profit on ordinary activities

Analysis of charge in the year	31 December 2016 £000	31 December 2015 £000
Current tax		
UK corporation tax on profit on ordinary activities	57	69
Total current tax	57	69
Deferred tax		
Effect of tax rate change on opening balance	-	(1)
Origination/reversal of timing differences	(4)	(6)
Total deferred tax (see note 11)	(4)	(7)
Tax charge on profit on ordinary activities	53	62

Reconciliation of effective tax rate

	31 December 2016 £000	31 December 2015 £000
Profit for the year	181	202
Total tax expense	53	62
Profit excluding taxation	234	264
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	47	53
Effects of:		
Fixed asset differences	2	5
Expenses not deductible for tax purposes	4	4
Total tax charge for the year	53	62

PREMIUM TIMBER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

6 Tax on profit on ordinary activities (continued)

Factors that may affect future current and total tax charges

A rate of 20% has been used to calculate the charge in the year.

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2016 has been calculated based on these rates.

7 Tangible assets

	Motor Vehicles £000	Leasehold Property £000	Plant and equipment £000	Office equipment £000	Total £000
Cost					
At 1 January 2016	-	25	232	92	349
Additions	58	37	17	23	135
Disposals	-	(25)	(41)	-	(66)
At 31 December 2016	58	37	208	115	418
Depreciation					
At 1 January 2016	-	19	180	69	268
Charge for the year	4	8	46	27	85
Disposals	-	(25)	(41)	-	(66)
At 31 December 2016	4	2	185	96	287
Net book value					
At 31 December 2016	54	35	23	19	131
At 31 December 2015	-	6	52	23	81

PREMIUM TIMBER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

8 Stocks

	31 December 2016 £000	31 December 2015 £000
Finished goods and goods for resale	3,346	4,007

9 Debtors

	31 December 2016 £000	31 December 2015 £000
Trade debtors	5,285	4,756
Corporation tax recoverable	33	-
Amounts owed by Group undertakings	1,797	-
Amounts owed by related undertakings	240	-
Prepayments and accrued income	265	266
	7,620	5,022

The discounting facility (note 10) has full recourse to the Company and is secured on trade debtors.

10 Creditors: amounts falling due within one year

	31 December 2016 £000	31 December 2015 £000
Amounts advanced under invoice discounting facility	4,849	800
Trade creditors	743	1,229
Amounts owed to group undertakings	84	127
Corporation tax payable	-	68
Other tax and social security	293	370
Other creditors	618	268
Accruals and deferred income	168	141
	6,755	3,003

The discounting facility has full recourse to the Company and is secured on trade debtors.

PREMIUM TIMBER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11 Provisions for liabilities and charges:

	Deferred Taxation £000	Onerous contracts £000	Total £000
As at 1 January 2015	4	1,000	1,004
Utilised in year (net)	(4)	(152)	(156)
At 31 December 2016	-	848	848

Onerous contracts relates to the Dewsbury site lease. The provision is made up of rent, rates and staff redundancies corresponding to the Dewsbury site.

Analysis of movement in deferred tax liability

	31 December 2016 £000	31 December 2015 £000
At start of the year	4	11
Credit to profit and loss account for the year (note 6)	(4)	(7)
At end of year	-	4

The deferred tax liability is fully provided and analysed as follows:

	31 December 2016 £000	31 December 2015 £000
Fixed asset timing difference/accelerated capital allowances	-	6
Short term timing differences	-	(2)
	-	4

The deferred tax liability has been calculated at 17% (2015: 18%).

12 Called up share capital

	31 December 2016 £000	31 December 2015 £000
Allotted, called-up and fully paid:		
150,000 Ordinary shares of £1 each	150	150
	150	150

PREMIUM TIMBER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

13 Guarantees and other financial commitments

Guarantees in respect of group borrowings

The Company and certain of its fellow group undertakings have given the bank and its affiliated invoice discounting company unlimited multilateral guarantees to secure group bank and invoice discounting indebtedness. At 31 December 2016 the total of the indebtedness under these guarantees was £22,547,000 (2015: £15,377,000) of which £2,859,000 (2015: £600,000) is included in these financial statements.

Capital commitments

The Company had outstanding capital commitments at the year end of £nil (2015: £nil).

Lease commitments

The minimum rentals under non-cancellable operating leases are as follows:

	31 December 2016		31 December 2015	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
- within 1 year	538	133	565	190
- within 2 to 5 years	1,000	94	1,289	256
- after 5 years	875	-	1,126	-
	2,413	227	2,980	446

14 Employee benefits

Defined contribution plan

The company operates a defined contribution pension plan. The total expenses relating to the plan in the year was £80,000 (2015: £102,000). Contributions outstanding at the year end were £9,000 (2015: £10,000) and are included in other creditors.

15 Related party transactions

The Company has taken advantage of the exemption in FRS102.33.1A not to disclose transactions with entities that are part of the group headed by The Hadleigh Timber Group Limited on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the Group are publicly available.

16 Ultimate parent undertaking

The immediate parent undertaking was The Hadleigh Timber Group Limited, incorporated in the UK.

The directors consider Hadleigh PVT Limited to be the ultimate parent undertaking of the Company.

Hadleigh PVT Limited is registered in the Bahamas. The Company is UK domiciled for tax purposes and registered with Companies House as a foreign company operating in the UK. The accounts are publicly available on request from 49 Charles Street, Mayfair, London, W1J 5EN. The shares in Hadleigh PVT Limited are owned by Mr CM Meade.