

Parkway Timber Company Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 July 2017

Parkway Timber Company Limited

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Parkway Timber Company Limited

Company Information

Directors Mr Andrew Richard Quick
Mrs Melissa Georgette Quick

Registered office Bodmin Road
Bodmin
Cornwall
PL30 4BB

Parkway Timber Company Limited

(Registration number: 02510421)

Balance Sheet as at 31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>4</u>	252,774	251,207
Current assets			
Stocks	<u>5</u>	169,000	191,000
Debtors	<u>6</u>	337,792	325,580
Cash at bank and in hand		103,698	134,279
		<u>610,490</u>	<u>650,859</u>
Creditors: Amounts falling due within one year		<u>(596,147)</u>	<u>(630,167)</u>
Net current assets		<u>14,343</u>	<u>20,692</u>
Total assets less current liabilities		267,117	271,899
Creditors: Amounts falling due after more than one year		(92,125)	(115,471)
Provisions for liabilities		<u>(29,463)</u>	<u>(29,885)</u>
Net assets		<u>145,529</u>	<u>126,543</u>
Capital and reserves			
Called up share capital		450	450
Capital redemption reserve		600	600
Profit and loss account		<u>144,479</u>	<u>125,493</u>
Total equity		<u>145,529</u>	<u>126,543</u>

For the financial year ending 31 July 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 4 to 8 form an integral part of these financial statements.

Parkway Timber Company Limited

(Registration number: 02510421)

Balance Sheet as at 31 July 2017

Approved and authorised by the Board on 26 January 2018 and signed on its behalf by:

Mr Andrew Richard Quick

Director

Mrs Melissa Georgette Quick

Director

The notes on pages 4 to 8 form an integral part of these financial statements.
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Parkway Timber Company Limited

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

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Bodmin Road
Bodmin
Cornwall
PL30 4BB
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Parkway Timber Company Limited

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	4% reducing balance
Plant and machinery	4%, 5% and 15% reducing balance and 4yr, 5yr, 10yr, 15yr, 20yr straight line
Motor vehicles	25% reducing balance and 15yr straight line
Fixtures and fittings	15% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Parkway Timber Company Limited

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

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Parkway Timber Company Limited

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

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 9 (2016 - 9).

4 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 August 2016	216,697	5,810	238,456	203,951	664,914
Additions	-	-	27,324	8,395	35,719
Disposals	-	-	(9,270)	-	(9,270)
At 31 July 2017	216,697	5,810	256,510	212,346	691,363
Depreciation					
At 1 August 2016	114,917	3,747	179,555	115,489	413,708
Charge for the year	4,071	309	8,143	19,589	32,112
Eliminated on disposal	-	-	(7,231)	-	(7,231)
At 31 July 2017	118,988	4,056	180,467	135,078	438,589
Carrying amount					
At 31 July 2017	97,709	1,754	76,043	77,268	252,774
At 31 July 2016	101,780	2,063	58,902	88,462	251,207

Included within the net book value of land and buildings above is £97,709 (2016 - £101,780) in respect of freehold land and buildings.

5 Stocks

	2017 £	2016 £
Other inventories	169,000	191,000

Parkway Timber Company Limited

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

6 Debtors

	2017 £	2016 £
Trade debtors	315,307	298,526
Prepayments	3,275	7,216
Other debtors	19,210	19,838
	<u>337,792</u>	<u>325,580</u>

The carrying amount of trade debtors pledged as security for liabilities amounted to £95,806 (2016 - £132,322).

The amounts are advances from a factoring company which are secured against trade debtors. Included in trade debtors is £95,806 factored debts (2016 £132,322).

7 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	58,207	54,443
Finance lease liabilities	33,918	61,028
	<u>92,125</u>	<u>115,471</u>

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	14,038	9,753
Bank overdrafts	194,295	216,498
Finance lease liabilities	27,109	25,572
	<u>235,442</u>	<u>251,823</u>

8 Related party transactions

Other transactions with directors

Included within debtors is a loan to the directors of £19,209 (2016: £19,838), the loan is unsecured, interest free and repayable on demand.