

Company Registration No. 04225552 (England and Wales)

A GRADE TIMBER LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2016

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A GRADE TIMBER LIMITED

COMPANY INFORMATION

Directors	G Bracey D E Moore R A Womersley I J Brailey C M Carter R J Pride C J Sherborne J R Sherborne L M Wright
Secretary	R J Pride
Company number	04225552
Registered office	45-47 Ashley Road Boscombe Bournemouth Dorset BH1 4LG
Auditors	RSM UK Audit LLP Chartered Accountants Hartwell House 55-61 Victoria Street Bristol BS1 6AD

A GRADE TIMBER LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the period ended 31 March 2016.

Principal activities

The principal activity of the company during the period was the sale and distribution of timber.

Review of the business

Sales for the 11 months to 31 March 2016 were £3,585,998 (16 months to 30 April 2015 - £5,648,757). Gross margin was 37.5%, up from 34.9% in the previous period. The profit before tax was £362,839 (2015 - £720,005).

Results and dividends

The retained profit of the company for the period after taxation was £289,942 (2015 - £571,322). Particulars of dividends paid and proposed are detailed in note 9 to the financial statements.

Future developments

The company continues to enjoy good working relationships with existing customers and is successful in obtaining orders from new customers.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

A J Pratten	(Resigned 1 May 2016)
A H Townsend	(Resigned 1 May 2016)
G Bracey	
D E Moore	
R A Womersley	
I J Brailey	(Appointed 12 May 2015)
C M Carter	(Appointed 12 May 2015)
R J Pride	(Appointed 12 May 2015)
C J Sherborne	(Appointed 12 May 2015)
J R Sherborne	(Appointed 12 May 2015)
L M Wright	(Appointed 12 May 2015)

Auditor

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) were appointed auditors during the year and have indicated their willingness to continue in office. A resolution to reappoint RSM UK Audit LLP as auditors will be put to the members at the annual general meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



R J Pride

Secretary

24.03.2016

A GRADE TIMBER LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2016

The directors are responsible for preparing 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF A GRADE TIMBER LIMITED

We have audited the financial statements on pages 5 to 18. 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), including FRS102 "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 more fully explained in the Directors' Responsibilities Statement set out on page 2, 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 (APB'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 website at <http://www.frc.org.uk/auditscopeukprivate>

Basis for qualified opinion on financial statements

With respect to stock having a carrying amount of £198,296 the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 March 2016, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures.

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the period 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.

Other matters

The company was exempt from audit in the period ended 30 April 2015 and consequently the corresponding figures are unaudited.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF A GRADE TIMBER LIMITED (CONTINUED)

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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:

- 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
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

RSM UK Audit Ltd

Nigel Hardy (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

21 November 2016

A GRADE TIMBER LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2016

		11 month period ended 31 March 2016 £	16 month period ended 30 April 2015 £
	Notes		
Turnover	3	3,585,998	5,648,757
Cost of sales		(2,240,197)	(3,674,767)
Gross profit		1,345,801	1,973,990
Distribution costs		(81,801)	-
Administrative expenses		(901,161)	(1,258,397)
Other operating income		-	249
Operating profit	4	362,839	715,842
Interest receivable and similar income	7	-	4,163
Profit on ordinary activities before taxation		362,839	720,005
Taxation	8	(72,897)	(148,683)
Profit for the financial period	17	289,942	571,322
Total comprehensive income for the period		289,942	571,322

A GRADE TIMBER LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2016**

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	10		106,767		76,197
Current assets					
Stocks	11	213,872		198,296	
Debtors	12	576,765		703,744	
Cash at bank and in hand		1,074,505		640,190	
		<u>1,865,142</u>		<u>1,542,230</u>	
Creditors: amounts falling due within one year	13	<u>(568,539)</u>		<u>(502,356)</u>	
Net current assets			<u>1,296,603</u>		<u>1,039,874</u>
Total assets less current liabilities			<u>1,403,370</u>		<u>1,116,071</u>
Provisions for liabilities	14		<u>(4,475)</u>		<u>(7,118)</u>
Net assets			<u><u>1,398,895</u></u>		<u><u>1,108,953</u></u>
Capital and reserves					
Called up share capital	16		390,000		390,000
Profit and loss reserves	17		<u>1,008,895</u>		<u>718,953</u>
Total equity			<u><u>1,398,895</u></u>		<u><u>1,108,953</u></u>

The financial statements were approved by the board of directors and authorised for issue on 24.08.2016 and are signed on its behalf by:


 R J Pride
 Director


 J R Sherborne
 Director

A GRADE TIMBER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2016

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 January 2014	390,000	420,631	810,631
Period ended 30 April 2015:			
Profit and total comprehensive income for the period	-	571,322	571,322
Dividends	-	(273,000)	(273,000)
	9		
Balance at 30 April 2015	390,000	718,953	1,108,953
Period ended 31 March 2016:			
Profit and total comprehensive income for the period	-	289,942	289,942
Balance at 31 March 2016	390,000	1,008,895	1,398,895

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies

Company information

A Grade Timber Limited is a company limited by shares incorporated in England and Wales. The registered office is 45-47 Ashley Road, Boscombe, Bournemouth, Dorset, BH1 4LG.

The company's principal activities are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Transition to FRS102

These financial statements are the first financial statements of A Grade Timber Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of A Grade Timber Limited for the period ended 30 April 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Having considered the company's financial position on 1 January 2014 (the date of transition to FRS 102) and its result for the comparative period ended 30 April 2015, the directors have concluded that no adjustments are required to the figures as previously reported for (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP.

Reduced disclosures

The company is a qualifying entity under the FRS 102 Reduced Disclosure Framework and has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sherborne Holdings Limited. The consolidated financial statements of Sherborne Holdings Limited are available from its registered office, 45-47 Ashley Road, Boscombe, Bournemouth, Dorset BH1 4LG.

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business, and is shown net of Value Added Tax. Turnover is recognised on dispatch of the goods or completion of the services.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is calculated so as to write off the cost of a tangible fixed asset on a straight line basis over the useful economic life of that asset as follows:

Leasehold property improvements	- over the term of the lease
Plant and machinery	- 20%-50% on cost
Fixtures, fittings and equipment	- 20%-50% on cost
Motor vehicles	- 20%-33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on a first in, first out basis.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are not taxable or deductible, or that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to the statement of comprehensive income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Useful economic lives of tangible assets

The annual depreciation charge is sensitive to any changes in the estimated useful life and residual values of tangible assets. The useful economic lives and residual value is assessed on an annual basis and are amended only when evidence shows a change in the estimated economic lives or residual life. Criteria used to assess the economic life and residual value includes technological advancement, economic utilisation, physical condition of the asset and future investments.

Impairment of stocks

Management calculates impairments by reviewing the value of stock which has not moved for a period of time.

Impairment of debtors

On a periodic basis management makes an estimation of the recoverability of debtors and makes provisions based on the age of the outstanding debts.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	11 month period ended 31 March 2016 £	16 month period ended 30 April 2015 £
Turnover analysed by class of business		
Sale and distribution of timber	3,585,998	5,648,757

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2016

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	11 month period ended 31 March 2016 £	16 month period ended 30 April 2015 £
United Kingdom	3,585,998	5,648,757

4 Operating profit

	11 month period ended 31 March 2016 £	16 month period ended 30 April 2015 £
Operating profit for the period is stated after charging/(crediting):	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	9,000	-
Depreciation of owned tangible fixed assets	26,285	29,016
Profit on disposal of tangible fixed assets	(1,000)	(8,698)
Cost of stocks recognised as an expense	2,240,197	3,674,767
Operating lease charges	82,500	90,000

In the statement of comprehensive income, depreciation of £14,487 (2015 - nil) is included within distribution costs and depreciation of £11,798 (2015 - £29,016) is included within administrative expenses.

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	11 month period ended 31 March 2016 Number	16 month period ended 30 April 2015 Number
Office and management	3	3
Merchanting	9	9
	12	12

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2016

5 Employees (Continued)

Their aggregate remuneration comprised:

	11 month period ended 31 March 2016 £	16 month period ended 30 April 2015 £
Wages and salaries	514,870	688,334
Social security costs	48,667	76,283
Pension costs	31,839	-
	<u>595,376</u>	<u>764,617</u>

6 Directors' remuneration

	11 month period ended 31 March 2016 £	16 month period ended 30 April 2015 £
Remuneration for qualifying services	281,106	431,924
Company pension contributions to defined contribution schemes	15,930	23,171
	<u>297,036</u>	<u>455,095</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2015 - 0).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	71,392	103,843
Company pension contributions to defined contribution schemes	4,172	6,068
	<u>75,564</u>	<u>109,911</u>

7 Interest receivable and similar income

	11 month period ended 31 March 2016 £	16 month period ended 30 April 2015 £
Interest income		
Interest on bank deposits	-	4,163
	<u>-</u>	<u>4,163</u>

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2016

8 Taxation

	11 month period ended 31 March 2016 £	16 month period ended 30 April 2015 £
Current tax		
UK corporation tax on profits for the current period	74,918	144,198
Adjustments in respect of prior periods	622	143
Total current tax	<u>75,540</u>	<u>144,341</u>
Deferred tax		
Origination and reversal of timing differences	<u>(2,643)</u>	<u>4,342</u>
Total tax charge	<u>72,897</u>	<u>148,683</u>

The charge for the period can be reconciled to the profit per the income statement as follows:

	11 month period ended 31 March 2016 £	16 month period ended 30 April 2015 £
Profit before taxation	<u>362,839</u>	<u>720,005</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	72,568	144,001
Tax effect of expenses that are not deductible in determining taxable profit	405	4,682
Tax effect of income not taxable in determining taxable profit	(200)	-
Adjustments in respect of prior years	622	-
Adjust deferred tax to average rate	<u>(498)</u>	<u>-</u>
Tax expense for the period	<u>72,897</u>	<u>148,683</u>

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

9 Dividends

	11 month period ended 31 March 2016 £	16 month period ended 30 April 2015 £
Final paid	-	273,000
	-	273,000

The directors are proposing a final dividend in respect of the year ended 31 March 2016 of £2.24 per ordinary share, which will absorb £874,505 of shareholder's funds.

10 Tangible fixed assets

	Leasehold property improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 May 2015	29,139	223,592	13,507	108,250	374,488
Additions	-	53,422	3,433	-	56,855
Disposals	-	-	-	(8,500)	(8,500)
At 31 March 2016	29,139	277,014	16,940	99,750	422,843
Depreciation and impairment					
At 1 May 2015	24,165	219,489	12,210	42,427	298,291
Depreciation charged in the period	652	3,523	1,286	20,824	26,285
Eliminated in respect of disposals	-	-	-	(8,500)	(8,500)
At 31 March 2016	24,817	223,012	13,496	54,751	316,076
Carrying amount					
At 31 March 2016	4,322	54,002	3,444	44,999	106,767
At 30 April 2015	4,974	4,103	1,297	65,823	76,197

11 Stocks

	31 March 2016 £	30 April 2015 £
Finished goods and goods for resale	213,872	198,296

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

12 Debtors

	31 March 2016	30 April 2015
	£	£
Amounts falling due within one year:		
Trade debtors	546,704	648,533
Other debtors	6,735	883
Prepayments and accrued income	23,326	54,328
	<u>576,765</u>	<u>703,744</u>

13 Creditors: amounts falling due within one year

	31 March 2016	30 April 2015
	£	£
Trade creditors	266,143	250,439
Amounts due to group undertakings	176,456	-
Corporation tax	74,918	144,198
Other taxation and social security	31,416	99,323
Accruals and deferred income	19,606	8,396
	<u>568,539</u>	<u>502,356</u>

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 31 March 2016	Liabilities 30 April 2015
	£	£
Balances:		
Excess of taxation allowances over depreciation	4,475	7,118
	<u>4,475</u>	<u>7,118</u>
Movements in the period:		11 month period ended 31 March 2016 £
Liability at 1 May 2015		7,118
Credit to profit and loss		(1,932)
Effect of change in tax rate - profit or loss		(711)
Liability at 31 March 2016		<u>4,475</u>

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

15 Retirement benefit schemes

Defined contribution schemes

The company contributes to a group personal pension scheme for its employees. The scheme's assets are held in independent, trustee-administered funds.

The charge to profit or loss in respect of defined contribution schemes was £31,839 (2015 - nil).

16 Share capital

	31 March 2016 £	30 April 2015 £
Ordinary share capital Issued and fully paid		
390,000 Ordinary shares of £1 each	390,000	390,000

The company has one class of ordinary shares. The shares carry no right to fixed income. Each carries the right to one vote at general meetings of the company.

17 Reserves

Profit and loss reserves

The profit and loss reserves reflect cumulative profit and losses net of distributions to members.

18 Operating lease commitments

Lessee

Operating lease charges reflect rent of the company's premises.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 March 2016 £	30 April 2015 £
Within one year	90,000	90,000
Between two and five years	360,000	360,000
In over five years	45,000	135,000
	<u>495,000</u>	<u>585,000</u>

A GRADE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

19 Related party transactions

During the period, the company continued to rent premises from B H Austen, a former shareholder. Rent of £82,500 (2015 - £120,000) was paid to B H Austen during the period.

The company has taken advantage of the exemption granted under Section 33 of FRS 102 from disclosing transactions with other wholly-owned group companies.

20 Ultimate parent company and controlling parties

The immediate parent company is Sydenhams Limited, which is the parent company of the smallest group to consolidate these financial statements. The ultimate parent company is Sherborne Holdings Limited, which is the parent company of the largest group to consolidate these financial statements. Copies of the consolidated financial statements can be obtained from the Company Secretary at 45-47 Ashley Road, Boscombe, Dorset, BH1 4LG.

The ultimate controlling parties of Sherborne Holdings Limited are the majority shareholders C J Sherborne and J R Sherborne.