

M & S (SOFTWOOD) LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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M & S (SOFTWOOD) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS:

O Berg
A Marklund
S Newman
C Petersson

SECRETARY:

S Newman

REGISTERED OFFICE:

5 Resolution Close
Endeavour Park
Boston
Lincolnshire
PE21 7TT

REGISTERED NUMBER:

03577891 (England and Wales)

AUDITORS:

Duncan & Toplis Limited, Statutory Auditor
5 Resolution Close
Endeavour Park
Boston
Lincolnshire
PE21 7TT

BANKERS:

Danske Bank
ICB London
75 King William Street
London
EC4T 7DT

SOLICITORS:

Roythornes Solicitors
Enterprise Way
Spalding
Lincolnshire
PE11 3YR

M & S (SOFTWOOD) 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 BUSINESS

This report has been prepared in accordance with schedule 7 of the Companies Act 2006. Exemption has been claimed in accordance with paragraph 414B relating to the requirement to include a strategic report.

ON BEHALF OF THE BOARD:



S Newman - Director

14 March 2017

M & S (SOFTWOOD) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2016

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the importation and distribution of machined softwood.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

O Berg
A Marklund
S Newman

Other changes in directors holding office are as follows:

C Petersson - appointed 1 April 2016

DIRECTORS INDEMNITY INSURANCE

During the year the company has made payments for directors indemnity insurance.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

M & S (SOFTWOOD) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

AUDITORS

The auditors, Duncan & Toplis Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with schedule 7 of the Companies Act 2006. Exemption has been claimed in accordance with paragraph 414B relating to the requirement to include a strategic report.

ON BEHALF OF THE BOARD:



S. Newman - Director

14 March 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF M & S (SOFTWOOD) LIMITED

We have audited the financial statements of M & S (Softwood) Limited for the year ended 31 December 2016 on pages seven to twenty. 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 Financial Reporting Standard 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 a Report of the Auditors 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 auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

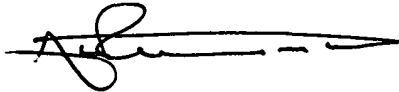
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
M & S (SOFTWOOD) LIMITED**

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.



Adrian Reynolds BA FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited, Statutory Auditor
5 Resolution Close
Endeavour Park
Boston
Lincolnshire
PE21 7TT

Date: 16 March 2017

M & S (SOFTWOOD) LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
TURNOVER	3	10,206,092	8,796,705
Cost of sales		<u>8,865,712</u>	<u>7,437,467</u>
GROSS PROFIT		1,340,380	1,359,238
Administrative expenses		<u>1,168,435</u>	<u>1,116,695</u>
		171,945	242,543
Other operating income		<u>383</u>	<u>145</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	5	172,328	242,688
Tax on profit	6	<u>35,433</u>	<u>50,511</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>136,895</u></u>	<u><u>192,177</u></u>

The notes form part of these financial statements

M & S (SOFTWOOD) LIMITED

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		136,895	192,177
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>136,895</u>	<u>192,177</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016

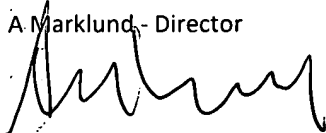
	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	7	529,243	384,242
CURRENT ASSETS			
Stocks	8	916,042	651,261
Debtors	9	1,608,025	1,478,728
Cash in hand		<u>81</u>	<u>45</u>
		2,524,148	2,130,034
CREDITORS			
Amounts falling due within one year	10	<u>(2,297,146)</u>	<u>(1,901,659)</u>
NET CURRENT ASSETS		<u>227,002</u>	<u>228,375</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		756,245	612,617
PROVISIONS FOR LIABILITIES	14	<u>(57,442)</u>	<u>(50,709)</u>
NET ASSETS		<u><u>698,803</u></u>	<u><u>561,908</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	160,000	160,000
Retained earnings	16	<u>538,803</u>	<u>401,908</u>
SHAREHOLDERS' FUNDS		<u><u>698,803</u></u>	<u><u>561,908</u></u>

The financial statements were approved by the Board of Directors on 14 March 2017 and were signed on its behalf by:

S Newman - Director



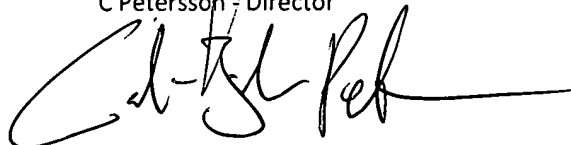
A Marklund - Director



O Berg - Director



C Petersson - Director



The notes form part of these financial statements

M & S (SOFTWOOD) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	160,000	209,731	369,731
Changes in equity			
Total comprehensive income	-	192,177	192,177
Balance at 31 December 2015	160,000	401,908	561,908
Changes in equity			
Total comprehensive income	-	136,895	136,895
Balance at 31 December 2016	160,000	538,803	698,803

The notes form part of these financial statements

M & S (SOFTWOOD) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	(135,864)	65,621
Tax paid		<u>(29,944)</u>	<u>-</u>
Net cash from operating activities		<u>(165,808)</u>	<u>65,621</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(242,807)	(124,783)
Sale of tangible fixed assets		<u>26,850</u>	<u>-</u>
Net cash from investing activities		<u>(215,957)</u>	<u>(124,783)</u>
Cash flows from financing activities			
Amounts owing to group companies		<u>330,869</u>	<u>(559,801)</u>
Net cash from financing activities		<u>330,869</u>	<u>(559,801)</u>
		<u>-</u>	<u>-</u>
Decrease in cash and cash equivalents		(50,896)	(618,963)
Cash and cash equivalents at beginning of year	2	<u>(649,787)</u>	<u>(30,824)</u>
Cash and cash equivalents at end of year	2	<u>(700,683)</u>	<u>(649,787)</u>

The notes form part of these financial statements

M & S (SOFTWOOD) LIMITED

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	172,328	242,688
Depreciation charges	77,946	71,329
Profit on disposal of fixed assets	(6,990)	-
	243,284	314,017
Increase in stocks	(264,781)	(40,113)
Increase in trade and other debtors	(129,297)	(463,970)
Increase in trade and other creditors	14,930	255,687
Cash generated from operations	<u>(135,864)</u>	<u>65,621</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2016

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	81	45
Bank overdrafts	(700,764)	(649,832)
	<u>(700,683)</u>	<u>(649,787)</u>

Year ended 31 December 2015

	31/12/15	1/1/15
	£	£
Cash and cash equivalents	45	8
Bank overdrafts	(649,832)	(30,832)
	<u>(649,787)</u>	<u>(30,824)</u>

The notes form part of these financial statements

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

1. GENERAL INFORMATION

M & S (Softwood) Limited is a limited company incorporated in England and Wales. The address of the registered office is given in the company information on page one of these financial statements. The nature of the company's operations and principal activities are detailed in the report of the directors on page three.

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

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are currently no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

Going concern

Forecasts prepared by the directors indicate that the company will trade profitably in the 2017 financial year and that the company will continue to operate within the overdraft facility for a period of at least twelve months from the signing of these financial statements.

Based on the above, the directors believe that the company is well placed to manage its business risks successfully. The directors have therefore concluded that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and as a result conclude that it is appropriate to continue adopting the going concern basis in these financial statements.

Turnover

Turnover represents the invoiced value of goods supplied, excluding value added tax and trade discounts. Revenue is recognised on completion of an order and the raising of a sales invoice.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are recognised at cost and depreciated over the useful economic life of the asset.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 8% on cost
Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell on a first-in-first-out basis. Due allowance is made for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Basic financial liabilities, including trade and other creditors, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

The company's principal activity was carried on within the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	1,001,252	1,003,819
Social security costs	99,016	96,405
Other pension costs	47,103	40,862
	<u>1,147,371</u>	<u>1,141,086</u>

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

	2016	2015
Directors	4	4
Employees	<u>39</u>	<u>38</u>
	<u>43</u>	<u>42</u>

	2016 £	2015 £
Directors' remuneration	71,345	89,783
Directors' pension contributions to money purchase schemes	<u>3,200</u>	<u>5,939</u>

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

4. EMPLOYEES AND DIRECTORS - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>2</u>
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5. OPERATING PROFIT

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

	2016	2015
	£	£
Depreciation - owned assets	77,946	71,329
Profit on disposal of fixed assets	(6,990)	-
Auditors' remuneration	7,490	7,500
Auditors remuneration - other	20,795	22,488
Operating leases - land and buildings	57,500	50,000
Operating leases - equipment rental	<u>57,382</u>	<u>54,142</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	28,336	29,580
Adjustment re previous years	<u>364</u>	<u>-</u>
Total current tax	28,700	29,580
Deferred tax	<u>6,733</u>	<u>20,931</u>
Tax on profit	<u>35,433</u>	<u>50,511</u>

UK corporation tax has been charged at 20% (2015 - 20%).

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

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit before tax	<u>172,328</u>	<u>242,688</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	34,466	48,538
Effects of:		
Expenses not deductible for tax purposes	1,275	1,941
Income not taxable for tax purposes	(1,182)	-
Capital allowances in excess of depreciation	(6,223)	(5,863)
Utilisation of tax losses	-	(15,036)
Adjustments to tax charge in respect of previous periods	364	-
Deferred tax	<u>6,733</u>	<u>20,931</u>
Total tax charge	<u>35,433</u>	<u>50,511</u>

7. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2016	83,361	471,695	97,320	148,989	801,365
Additions	114,996	56,122	22,999	48,690	242,807
Disposals	-	(35,000)	-	(43,928)	(78,928)
At 31 December 2016	<u>198,357</u>	<u>492,817</u>	<u>120,319</u>	<u>153,751</u>	<u>965,244</u>
DEPRECIATION					
At 1 January 2016	74,687	187,609	63,878	90,949	417,123
Charge for year	3,747	28,928	13,223	32,048	77,946
Eliminated on disposal	-	(19,591)	-	(39,477)	(59,068)
At 31 December 2016	<u>78,434</u>	<u>196,946</u>	<u>77,101</u>	<u>83,520</u>	<u>436,001</u>
NET BOOK VALUE					
At 31 December 2016	<u>119,923</u>	<u>295,871</u>	<u>43,218</u>	<u>70,231</u>	<u>529,243</u>
At 31 December 2015	<u>8,674</u>	<u>284,086</u>	<u>33,442</u>	<u>58,040</u>	<u>384,242</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. STOCKS

	2016	2015
	£	£
Finished goods and goods for resale	<u>916,042</u>	<u>651,261</u>

Stock recognised as an expense in the period amounted to £8,292,457 (2015 - £6,913,896).

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	1,565,943	1,417,202
Prepayments	<u>42,082</u>	<u>61,526</u>
	<u>1,608,025</u>	<u>1,478,728</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 11)	700,764	649,832
Trade creditors	611,601	548,092
Taxation	28,336	29,580
Other taxation and social security	344,050	381,897
Amounts due to fellow group undertakings	579,442	248,573
Accrued expenses	<u>32,953</u>	<u>43,685</u>
	<u>2,297,146</u>	<u>1,901,659</u>

11. LOANS

The bank overdraft forms part of the overall group bank borrowing facility.

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Within one year	115,915	110,388
Between one and five years	367,930	413,828
In more than five years	<u>11,362</u>	<u>29,049</u>
	<u>495,207</u>	<u>553,265</u>

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

13. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

	2016 £	2015 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	1,565,943	1,417,202
Financial liabilities measured at amortised cost		
Bank loans and overdrafts	700,764	649,832
Trade creditors	611,601	548,092
Amounts due to fellow group undertakings	579,442	248,573

There is no interest income or expense for financial assets and liabilities that are not measured at fair value through profit or loss.

14. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax		
Accelerated capital allowances	<u>57,442</u>	<u>50,709</u>

	Deferred tax £
Balance at 1 January 2016	50,709
Charge to Income Statement during year	<u>6,733</u>
Balance at 31 December 2016	<u>57,442</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
160,000	Ordinary	£1	<u>160,000</u>	<u>160,000</u>

16. RESERVES

	Retained earnings £
At 1 January 2016	401,908
Profit for the year	<u>136,895</u>
At 31 December 2016	<u>538,803</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

17. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. Contributions payable are charged in the profit and loss account. At the year end £6,036 (2015 - £6,066) was outstanding.

18. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Setra Group AB, a company registered in Sweden. Copies of Setra Group AB's consolidated financial statements can be obtained from Setra Group SE - 105 22 Stockholm, Sweden.

19. CAPITAL COMMITMENTS

	2016 £	2015 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>3,000</u>

20. RELATED PARTY DISCLOSURES

The total key management compensation in the year was £74,545 (2015 - £137,628).

During the year the company had transactions with fellow group undertakings. Purchases of £4,000,881 (2015 - £3,087,990) were made of which £579,442 (2015 - £248,573) remained outstanding at the year end.

21. CONTROLLING PARTY

The controlling party of M&S (Softwood) Limited is Setra Group AB.