

Registered number: 03689377

Global Panel Products Limited

Annual report and financial statements

For the year ended 31 December 2019



Global Panel Products Limited

Company Information

Directors	Mr M D Brady Mrs J Brady
Registered number	03689377
Registered office	12 Beaufort Court Admirals Way London E14 9XL
Trading Address	12 Beaufort Court Admirals Way London E14 9XL
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor Third Floor 24 Chiswell Street London EC1Y 4YX

Global Panel Products Limited

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Global Panel Products Limited

Strategic report

For the year ended 31 December 2019

Introduction

The company purchases timber and wood based panel products from across Europe and resell to Importers, Merchants and industrial end users. It is therefore subject to the normal risks of international trade as well as those risks arising from dealing in commodities. Details of the risks relevant to the company's financial instruments can be seen in the Director's report.

Business review

The Timber trade continued to see weakening in prices during 2019 and the panel products sector experienced a fall in prices of between 25-30%. There was an oversupply of production and several mills preferred to discount prices during January to September and this affected sales for Russian Birch plywood, OSB & Particle board. The continuing weak demand from Importers and merchants has impacted the Company's turnover. In addition, the uncertainty surrounding Brexit also affected trading conditions. UK Importers reduced their inventories and remained cautious in their forward purchasing.

The company % of Profit margin improved but turnover fell by just over 20%. The overall administrative expenses remained in line with 2018. Directors remuneration has decreased but wages increased with the addition of 2 more staff.

During the year, the company decided to significantly reduce the stock holding held in the UK ports in order to minimise the impact of exposure to falling prices.

Sales to Europe and the USA in terms of volume have held up well but were based on a lower return on value. Trading conditions remains tough and margins were under pressure and the company expects that this will continue to be difficult throughout 2020.

Principal risks and uncertainties

Financial instruments

During the period under review, the company's financial instruments comprised of bank balances and loans, together with invoice discounting facility. In addition, various other financial instruments such as trade debtors, trade creditors and hire purchase creditors arose directly from the company's operations.

The main risk associated with the financial instruments are interest rates, liquidity and foreign exchange risk.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexible use of funding by way of cash reserves and an invoice discounting facility.

Interest rate risk

The company has a policy to manage exposure to interest rate fluctuations so as to finance its operations through the company's capital and reserves:

Foreign currency risk

The company has significant exposure in relation to the Euro and US Dollars, with the costs of goods largely being denominated in both currencies. The company seeks to reduce its foreign exchange exposure as far as possible through matching payments in individual currencies.

Financial key performance indicators


The key financial performance indicators used to determine the progress and performance of the company are turnover and net profits.

Global Panel Products Limited

Strategic report (continued)
For the year ended 31 December 2019

This report was approved by the board on 30 July 2020

and signed on its behalf.


Mr M D Brady
Director

Global Panel Products Limited

Directors' report For the year ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Results and dividends

The loss for the year, after taxation, amounted to £62,378 (2018 - profit £253,495).

Based on the results for the year, the directors recommended no payment of dividends (2018: £60,000).

Directors

The directors who served during the year were:

Mr M D Brady

Mrs J Brady

Directors' responsibilities statement

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 year. Under that law the directors have elected to prepare the financial statements in accordance with 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'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Future developments

The impact of the Corona virus will affect our turnover during the 2nd quarter and the beginning of the 3rd quarter of 2020. Many of our UK clients have been on reduced working hours but have been accepting deliveries. For those clients which have been closed during April to June their orders have been delayed and have been rescheduled for later arrivals. Our European clients have been taking deliveries as many of them are involved in packaging and manufacturing and have been classed as "essential services".

Our suppliers are currently working normally despite a short interruption in Russia during April and we do not anticipate any hold up in the supply chain.

We are expecting to see an improvement in turnover during the 3rd and 4th quarters as construction and manufacturing starts to catch up on outstanding projects. Stocks and cash flow remain fluid and the company has not sought to take on any additional funding.

Directors' report (continued)
For the year ended 31 December 2019

Engagement with employees

We continue to adhere to the environmental standards, and as members of the UK Timber Trade Federation we travelled to all our suppliers to ensure that the material we purchase is from 3rd party certified legal and sustainable timber products. We continue to monitor all our sources of supply and we are audited to ensure that we operate within the obligations of the EU Timber Regulation under the UK Timber Trade Federation Responsible Purchasing Policy. We strongly focus on products which are either certified by FSC or PEFC chain of custody management schemes.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

Early 2020 saw the outbreak of the Covid-19 pandemic. This has already resulted in significant global economic disruption and as the pandemic develops this disruption will continue and may worsen over the months to come. This is considered to be a non-adjusting event affecting the company since year end. The impact of the pandemic on the company's going concern is addressed in note 2.2.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 July 2020

and signed on its behalf.


Mr M D Brady
Director

Independent auditors' report to the members of Global Panel Products Limited

Opinion

We have audited the financial statements of Global Panel Products Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent auditors' report to the members of Global Panel Products Limited (continued)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of Global Panel Products Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditors' report to the members of Global Panel Products Limited (continued)

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Michael Cook BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: 31 July 2020

Global Panel Products Limited

Statement of comprehensive income For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	14,576,920	18,312,354
Cost of sales		(13,542,438)	(16,818,224)
Gross profit		1,034,482	1,494,130
Administrative expenses		(1,028,254)	(1,063,052)
Other operating income		315	-
Operating profit	6	6,543	431,078
Interest receivable and similar income	10	400	234
Interest payable and expenses	11	(85,227)	(111,393)
(Loss)/profit before tax		(78,284)	319,919
Tax on (loss)/profit	12	15,906	(66,424)
(Loss)/profit for the financial year		(62,378)	253,495

There was no other comprehensive income for 2019 (2018: £NIL).

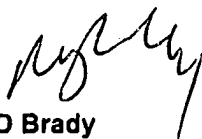
The notes on pages 14 to 26 form part of these financial statements.

Global Panel Products Limited
Registered number: 03689377

Balance sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	19,208	29,017
Investments	15	1,647	1,647
		<u>20,855</u>	<u>30,664</u>
Current assets			
Stocks	16	653,471	1,457,686
Debtors: amounts falling due within one year	17	3,533,966	4,284,290
Cash at bank and in hand	18	544,363	437,997
		<u>4,731,800</u>	<u>6,179,973</u>
Creditors: amounts falling due within one year	19	(3,043,842)	(4,221,709)
Net current assets		<u>1,687,958</u>	<u>1,958,264</u>
Total assets less current liabilities		<u>1,708,813</u>	<u>1,988,928</u>
Creditors: amounts falling due after more than one year	20	(20,300)	(24,037)
Net assets		<u><u>1,688,513</u></u>	<u><u>1,964,891</u></u>
Capital and reserves			
Called up share capital	24	900	1,000
Capital redemption reserve	25	100	-
Profit and loss account	25	1,687,513	1,963,891
		<u><u>1,688,513</u></u>	<u><u>1,964,891</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 July 2020.


Mr M D Brady
 Director

The notes on pages 14 to 26 form part of these financial statements.

Global Panel Products Limited

**Statement of changes in equity
For the year ended 31 December 2019**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	1,000	-	1,770,396	1,771,396
Comprehensive income for the year				
Profit for the year	-	-	253,495	253,495
Dividends: Equity capital	-	-	(60,000)	(60,000)
At 1 January 2019	1,000	-	1,963,891	1,964,891
Comprehensive income for the year				
Loss for the year	-	-	(62,378)	(62,378)
Purchase of own shares	-	100	(214,000)	(213,900)
Shares redeemed during the year	(100)	-	-	(100)
At 31 December 2019	900	100	1,687,513	1,688,513

The notes on pages 14 to 26 form part of these financial statements.

Global Panel Products Limited

Statement of cash flows For the year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(62,378)	253,495
Adjustments for:		
Depreciation of tangible assets	7,423	18,041
Loss on disposal of tangible assets	(2,557)	17,836
Interest paid	85,227	111,393
Interest received	(400)	(234)
Taxation charge	(15,906)	66,424
Decrease/(increase) in stocks	804,215	(521,313)
Decrease/(increase) in debtors	854,391	(1,032,352)
(Decrease)/increase in creditors	(452,800)	269,335
Corporation tax (paid)	(64,720)	(22,351)
Net cash generated from operating activities	1,152,495	(839,726)
Cash flows from investing activities		
Purchase of tangible fixed assets	(517)	(2,342)
Sale of tangible fixed assets	5,460	6,099
Interest received	400	234
HP interest paid	(417)	(3,894)
Net cash from investing activities	4,926	97
Cash flows from financing activities		
Purchase of ordinary shares	(214,000)	-
New secured loans	261,257	-
Repayment of loans	-	(66,645)
Repayment of/new finance leases	(4,383)	(28,522)
Dividends paid	-	(69,000)
Interest paid	(84,810)	(107,499)
Net cash used in financing activities	(41,936)	(271,666)
Net increase/(decrease) in cash and cash equivalents	1,115,485	(1,111,295)
Cash and cash equivalents at beginning of year	(2,116,665)	(1,005,370)
Cash and cash equivalents at the end of year	(1,001,180)	(2,116,665)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	544,363	437,997
Bank overdrafts	(1,545,543)	(2,554,662)
	(1,001,180)	(2,116,665)

The notes on pages 14 to 26 form part of these financial statements.

Global Panel Products Limited

Analysis of Net Debt For the year ended 31 December 2019

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	437,997	106,366	544,363
Bank overdrafts	(2,554,662)	1,009,119	(1,545,543)
Debt due within 1 year	(87,080)	(206,470)	(293,550)
Finance leases	(28,928)	4,383	(24,545)
	<u>(2,232,673)</u>	<u>913,398</u>	<u>(1,319,275)</u>

The notes on pages 14 to 26 form part of these financial statements.

Global Panel Products Limited

Notes to the financial statements For the year ended 31 December 2019

1. General information

Global Panel Products limited is a private company limited by shares incorporated in England and Wales. The registered and trading office is 12 Beaufort Court, Admirals Way, London, E14 9XL. The company's principle activities involve importing timber from Europe and selling on to the final customer in the UK, Europe and outside of Europe.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. While the impact of the Covid-19 virus has been assessed by the directors, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company's trade, its customers and suppliers. However, taking into consideration the UK Government's response and the company's planning, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

2.3 Revenue

Turnover represents amounts received for goods net of VAT and trade discounts.

Turnover is recognised at the point at which the substantial risks and rewards of goods are deemed to have been transferred to the customer in accordance with the contracted terms of the sale.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line and reducing balance methods.

Depreciation is provided on the following basis:

Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**Notes to the financial statements
For the year ended 31 December 2019**

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the financial statements
For the year ended 31 December 2019**

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the financial statements
For the year ended 31 December 2019

2. Accounting policies (continued)

2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.18 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

No significant estimates, judgement or assumptions are made by management.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Sales of timber	14,576,920	18,312,354

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	10,925,270	13,323,694
Rest of Europe	2,898,506	4,282,391
Rest of the world	753,144	706,269
	14,576,920	18,312,354

5. Other operating income

	2019 £	2018 £
Sundry income	315	-

**Notes to the financial statements
For the year ended 31 December 2019**

6. Operating profit

The operating profit is stated after charging:

	2019	2018
	£	£
Purchases	10,751,010	15,187,244
Exchange differences	(22,644)	25,448
Other operating lease rentals	137,500	108,841
Depreciation	7,423	18,041
	<u>10,872,889</u>	<u>15,339,574</u>

7. Auditors' remuneration

	2019	2018
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,600	10,300
	<u>10,600</u>	<u>10,300</u>

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	2,100	2,050
Accounting services	8,850	11,550
Payroll services	980	2,895
	<u>11,930</u>	<u>16,495</u>

**Notes to the financial statements
For the year ended 31 December 2019**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	601,240	498,522
Social security costs	71,682	59,964
Cost of defined contribution scheme	8,037	3,555
	<u>680,959</u>	<u>562,041</u>

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

	2019 No.	2018 No.
Directors	2	3
Employees	7	5
	<u>9</u>	<u>8</u>

9. Directors' emoluments

	2019 £	2018 £
Directors' remuneration	243,487	320,436
Company contributions to defined contribution pension schemes	2,377	1,405
	<u>245,864</u>	<u>321,841</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

Key management personell of the company recieved remuneration of £65,250 (2018: £Nil) during the year.

10. Interest receivable

	2019 £	2018 £
Other interest receivable	<u>400</u>	<u>234</u>

Notes to the financial statements
For the year ended 31 December 2019

11. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	84,810	107,499
Finance leases and hire purchase contracts	417	3,894
	<u>85,227</u>	<u>111,393</u>

12. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	66,424
Adjustments in respect of previous periods	(15,906)	-
Taxation on (loss)/profit on ordinary activities	<u>(15,906)</u>	<u>66,424</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<u>(78,284)</u>	<u>319,919</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(14,874)	59,402
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,536	(41,893)
Capital allowances for year in excess of depreciation	(812)	48,915
Adjustments to tax charge in respect of prior periods	(1,756)	-
Total tax charge for the year	<u>(15,906)</u>	<u>66,424</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the financial statements
For the year ended 31 December 2019

13. Dividends

	2019 £	2018 £
Dividends	-	60,000

14. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2019	53,932	9,959	63,891
Additions	-	517	517
Disposals	(12,236)	-	(12,236)
At 31 December 2019	41,696	10,476	52,172
Depreciation			
At 1 January 2019	27,573	7,301	34,874
Charge for the year on owned assets	5,864	1,559	7,423
Disposals	(9,333)	-	(9,333)
At 31 December 2019	24,104	8,860	32,964
Net book value			
At 31 December 2019	17,592	1,616	19,208
At 31 December 2018	26,359	2,658	29,017

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Motor vehicles	17,592	26,359
	17,592	26,359

Notes to the financial statements
For the year ended 31 December 2019

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	1,647
At 31 December 2019	<u>1,647</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Global Forest Products Limited	12 Beaufort Court, Admirals Way, London, E14 9XL	Dormant	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Global Forest Products Limited	<u>30,745</u>	<u>-</u>

16. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>653,471</u>	<u>1,457,686</u>

17. Debtors

	2019 £	2018 £
Trade debtors	2,025,130	3,076,947
Other debtors	34,257	10,607
Prepayments and accrued income	<u>1,474,579</u>	<u>1,196,736</u>
	<u>3,533,966</u>	<u>4,284,290</u>

Notes to the financial statements
For the year ended 31 December 2019

17. Debtors (continued)

The company operates bill of exchange facility provided by Santander UK PLC. Funds are available to be drawn down at an advance rate of 0.5% against trade debtors of the company that are aged less than 45 days for two customers, with the facility capped at £700,000 in total. As at the balance sheet date, the outstanding balance on the facility was £95,527 (2018: £296,568). Interest is charged on the drawn down funds at the annual rate of LIBOR plus 2% margin. This facility is secured by a fixed and floating charge over the company's assets.

18. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	544,363	437,997
Less: bank overdrafts	(1,545,543)	(2,554,662)
	<u>(1,001,180)</u>	<u>(2,116,665)</u>

19. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	1,545,543	2,554,662
Bank loans	293,550	32,293
Trade creditors	992,243	1,291,719
Corporation tax	-	66,476
Other taxation and social security	49,308	55,762
Obligations under finance lease and hire purchase contracts	4,245	4,891
Other creditors	88,739	162,406
Accruals and deferred income	70,214	53,500
	<u>3,043,842</u>	<u>4,221,709</u>

20. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	<u>20,300</u>	<u>24,037</u>

Notes to the financial statements
For the year ended 31 December 2019

21. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	293,550	32,293

The company has an import loan facility under which repayment is due within 30 days. Interest is payable, at 3% over the base rate or currency lending rate. At the balance sheet date, the balance drawn down under this facility was £293,550 (2018: £390,700) and is shown within bank loans and overdrafts.

The company also had an Enterprise Finance Guarantee (EFG) loan with a balance at the balance sheet date of £Nil (2018: £36,458). The loan was repaid in June 2019 and interest was payable at 4.8% over the base rate.

The loans are secured by a fixed and floating charge over the assets of the company and by way of a guarantee of £1,000,000 and £500,000 given by the directors Mr M D Brady and Mrs J Brady. The personal guarantee has been secured by a charge over the directors' personal life policy, a charge over a balance on a bank account in the name of the directors' and by personal guarantee of £76,125 given by each of them.

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	4,800	3,470
Between 1-5 years	20,300	25,458
	25,100	28,928

Finance lease payments represent rentals payable by the company for certain items of motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayments basis and no arrangements have been entered into for contingent rental payments.

Notes to the financial statements
For the year ended 31 December 2019

23. Financial instruments

	2019 £	2018 £
Financial assets		
Equity instruments measured at cost less impairment	1,647	1,647
Financial instruments that are debt instruments measured at amortised cost	2,045,237	3,107,752
	<u>2,046,884</u>	<u>3,109,399</u>
Financial liabilities		
Financial liabilities measured at amortised costs	<u>2,990,289</u>	<u>4,094,577</u>

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors.

Financial assets that are equity instruments measured at cost less impairment comprise of an investment.

Financial liabilities measured at amortised cost comprise of bank overdrafts, loans and trade creditors.

24. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
900 (2018 - 1,000) Ordinary shares of £1.00 each	<u>900</u>	<u>1,000</u>

During the year, the company bought back 100 (2018: nil) £1 ordinary shares for a total consideration of £140,000 (2018: £nil).

25. Reserves

Capital redemption reserve

This reserves records the nominal value of shares repurchased by the company.

Profit and loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

26. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £8,037 (2018: £3,555). Contributions totalling £nil (2018: £787) were payable to the fund at the balance sheet date and are included in creditors.

Global Panel Products Limited

Notes to the financial statements For the year ended 31 December 2019

27. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	97,876	28,591
Later than 1 year and not later than 5 years	-	23,787
	<u>97,876</u>	<u>52,378</u>

28. Related party transactions

Transactions with the directors involve remuneration which have been disclosed in the accounts.

During the year, the company operated a loan account with close family of the shareholders and directors of the company. As at year end, close family owed the company an amount of £9,500 (2018: £nil). The loan is unsecured and repayable on demand.

29. Post balance sheet events

Early 2020 saw the outbreak of the Covid-19 pandemic. This has already resulted in significant global economic disruption and as the pandemic develops this disruption will continue and may worsen over the months to come. This is considered to be a non-adjusting event affecting the company since year end.

30. Controlling party

The company is controlled by the directors Mr M D Brady and Mrs J Brady by virtue of their aggregate 100% (2018: 90%) shareholding.