

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

31 DECEMBER 2016

**PRICE & PIERCE FOREST
PRODUCTS LIMITED**



MENZIES
BRIGHTER THINKING

PRICE & PIERCE FOREST PRODUCTS LIMITED

COMPANY INFORMATION

Directors	Mr S Pitt Mr K Buchanan
Company secretary	A C Rhys-Davies FCA
Registered number	03841742
Registered office	Griffin House West Street Woking Surrey GU21 6BS
Independent auditors	Menzies LLP Chartered Accountants & statutory Auditor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ
Bankers	HSBC Bank Plc 6 Commercial Way Woking Surrey GU21 6EZ

PRICE & PIERCE FOREST PRODUCTS LIMITED

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PRICE & PIERCE FOREST PRODUCTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Business review

Price & Pierce Forest Products Limited is involved in the international marketing of timber and panel products. They act as agent for the sales of forest products, for import into the United Kingdom, and are engaged in trading in forest products in the United Kingdom.

Market conditions were relatively healthy and there were substantial increases in the price of timber during 2016. Due to the financial resources available, the directors believe that the company is well placed to manage its business risks successfully in the current economic conditions.

The 2016 year-end cash position is materially worse than 2015, mainly due to two of the largest customers making no payments in the month of December. They paid the overall due sums of £1,815,000 on 3rd January 2017.

Principal risks and uncertainties

The main financial risk to the company is that of foreign currency fluctuations. The directors seek to minimise this by aiming to transact a large part of the purchases and sales in its functional currency, hence passing any risk onto the supplier or customer.

Key performance indicators

The company monitors its performance against strategic objectives by means of key performance indicators. The main KPIs it uses are orientated around gross profit margin and turnover. These are summarised thus:

	2016 £	2015 £
Turnover	23,901,402	22,107,834
Gross profit	1,779,234	1,487,003

Non-financial KPIs are not produced here because, given the nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the entity.

This report was approved by the board and signed on its behalf.


.....
Mr S Pitt
Director


.....
A C Rhys-Davies FCA
Company Secretary

Date: 5/6/17

PRICE & PIERCE FOREST PRODUCTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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

Directors

The directors who served during the year were:

Mr S Pitt
Mr K Buchanan

Dividends

The directors do not recommend the payment of a dividend.

Employment of disabled persons

The company is to offer equal opportunity to disabled persons whenever there are suitable vacancies for them.

Employee involvement

The company has developed practices and procedures for employee involvement including the provision of information and consultation. Good relations between management and employees has helped promote the business as a whole.

Financial instruments

The directors regularly identify, monitor and ensure appropriate processes are in place to mitigate potential risks and uncertainties arising.

The directors regularly undertake forecasting to identify the company's liquidity requirements and these are reviewed regularly to ensure that sufficient headroom exists for at least a 12 month period.

As the directors consider that the financial risk to the company is low, they do not use financial instruments in their risk management.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information in the strategic report

The company has chosen in accordance with Section 41-40(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

PRICE & PIERCE FOREST PRODUCTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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 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.

Auditors

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

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.

This report was approved by the board and signed on its behalf.


.....
Mr S Pitt
Director

Date: 5/6/17

Griffin House
West Street
Woking
Surrey
GU21 6BS


.....
A C Rhys-Davies FCA
Company Secretary

Date: 5/6/17

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRICE
& PIERCE FOREST PRODUCTS LIMITED**

We have audited the financial statements of PRICE & PIERCE FOREST PRODUCTS LIMITED for the year ended 31 December 2016, set out on pages 6 to 18. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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 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 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 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. 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 Financial Reporting Council'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 www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit or 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.

Opinion on other matter 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRICE
& PIERCE FOREST PRODUCTS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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.



Salvador Amico (Senior Statutory Auditor)
for and on behalf of

Menzies LLP

Chartered Accountants & statutory Auditor

Midas House

62 Goldsworth Road

Woking

Surrey

GU21 6LQ

Date:

5 June 2017

PRICE & PIERCE FOREST PRODUCTS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	3	23,901,402	22,107,834
Cost of sales		(21,991,376)	(20,620,831)
Gross profit		1,910,026	1,487,003
Administrative expenses		(1,539,090)	(1,247,122)
Operating profit	4	370,936	239,881
Other interest receivable and similar income		3,914	4,572
Interest payable and expenses	8	(1,633)	(984)
Profit before tax		373,217	243,469
Tax on profit	9	(83,251)	(55,000)
Profit after tax		289,966	188,469
Retained earnings at the beginning of the year		1,489,268	1,300,799
		1,489,268	1,300,799
Profit for the year		289,966	188,469
Retained earnings at the end of the year		1,779,234	1,489,268

The notes on pages 9 to 18 form part of these financial statements.

PRICE & PIERCE FOREST PRODUCTS LIMITED

REGISTERED NUMBER:03841742

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	38,597	12,926
		<u>38,597</u>	<u>12,926</u>
Current assets			
Stocks	11	3,704,290	2,214,247
Debtors: amounts falling due within one year	12	4,265,802	2,008,348
Cash at bank and in hand		-	880,980
		<u>7,970,092</u>	<u>5,103,575</u>
Creditors: amounts falling due within one year	13	(5,978,255)	(3,276,033)
Net current assets		<u>1,991,837</u>	<u>1,827,542</u>
Total assets less current liabilities		<u>2,030,434</u>	<u>1,840,468</u>
Creditors: amounts falling due after more than one year	14	-	(100,000)
Net assets		<u><u>2,030,434</u></u>	<u><u>1,740,468</u></u>
Capital and reserves			
Called up share capital	17	251,200	251,200
Profit and loss account	18	1,779,234	1,489,268
		<u><u>2,030,434</u></u>	<u><u>1,740,468</u></u>

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

5th June 2017

.....
Mr S Pitt
Director

The notes on pages 9 to 18 form part of these financial statements.

PRICE & PIERCE FOREST PRODUCTS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	289,966	188,469
Adjustments for:		
Depreciation of tangible assets	10,562	7,029
Loss on disposal of tangible assets	51	-
Interest paid	1,633	984
Interest received	(3,914)	(4,572)
Taxation charge	83,251	55,000
(Increase)/decrease in stocks	(1,490,043)	797,495
(Increase) in debtors	(2,257,454)	(132,674)
Increase/(decrease) in creditors	2,131,889	(635,926)
(Decrease)/increase in amounts owed to groups	(50,000)	-
Corporation tax (paid)	(57,501)	(74,750)
Net cash generated from operating activities	(1,341,560)	201,055
Changes in:		
Purchase of tangible fixed assets	(36,287)	(1,400)
Sale of tangible fixed assets	3	-
Interest received	3,914	4,572
Interest paid	-	(984)
Net cash from investing activities	(32,370)	2,188
Cash flows from financing activities		
Loans from group companies repaid	-	(50,000)
Interest paid	(1,633)	-
Net cash used in financing activities	(1,633)	(50,000)
Net (decrease)/increase in cash and cash equivalents	(1,375,563)	153,243
Cash and cash equivalents at beginning of year	880,980	727,737
Cash and cash equivalents at the end of year	(494,583)	880,980
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	-	880,980
Bank overdrafts	(494,583)	-
	(494,583)	880,980

PRICE & PIERCE FOREST PRODUCTS LIMITED

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

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Price and Pierce Forest Products Limited is a private company limited by shares, registered in England and Wales. The address of its registered office is disclosed on the company information page.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

2.2 Revenue recognition

Turnover, which is stated net of Value Added Tax, represents commissions received as agents on behalf of principals, and amounts invoiced to third parties with respect to merchanting and related businesses.

In respect of agency business, contracts between principals and their customers specify that payment be made to this company and therefore the accounts include agency debtors and creditors within trade debtors and trade creditors.

2.3 Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

2.4 Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

2.5 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.

PRICE & PIERCE FOREST PRODUCTS LIMITED

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

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Motor vehicles	-	25%
Office equipment	-	25%

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 the Statement of Income and Retained Earnings.

2.6 Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

2.7 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 a weighted average basis and includes transport and handling charges.

At each reporting 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.

2.8 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

2.9 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 the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

PRICE & PIERCE FOREST PRODUCTS LIMITED

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

3. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods	23,901,402	22,107,834
	<u>23,901,402</u>	<u>22,107,834</u>

Volume of business comprises the value of forest products sold as agents and invoiced sales from merchandising and related businesses.

Turnover, which is stated net of value added tax, represents commissions received as agents on behalf of principals and amounts invoiced to third parties with respect to merchandising and related businesses.

The company operates in one main area of activity, that of trading in forest products.

An analysis of volume of business and turnover by geographical market is given below:

Volume of business

	2016 £000	2015 £000
Source of supply		
Europe & Russia	25,903	24,604
South America	3,625	2,246
	<u>29,528</u>	<u>26,850</u>

Destination

UK & Europe	29,528	26,850
	<u>29,528</u>	<u>26,850</u>

Turnover: Origin

UK & Europe	23,901	22,108
	<u>23,901</u>	<u>22,108</u>

PRICE & PIERCE FOREST PRODUCTS LIMITED

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

Destination		
UK & Europe	23,901	22,108
	23,901	22,108
<hr/>		
4. Operating profit		
The operating profit is stated after charging:		
	2016	2015
	£	£
Depreciation of tangible fixed assets	10,562	7,029
Defined contribution pension cost	24,571	47,574
	24,571	47,574
<hr/>		
5. Auditors' remuneration		
	2016	2015
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,250	12,000
	12,250	12,000
<hr/>		
Fees payable to the Company's auditor and its associates in respect of:		
Audit-related assurance services	2,250	2,000
	2,250	2,000
	2,250	2,000
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PRICE & PIERCE FOREST PRODUCTS LIMITED

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

6. Staff costs

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

	2016 £	2015 £
Wages and salaries	772,259	639,140
Social security costs	64,722	76,204
Other pension costs	24,571	47,574
	<u>861,552</u>	<u>762,918</u>

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

	2016 No.	2015 No.
Administrative staff	3	3
Management staff	9	9
	<u>12</u>	<u>12</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	145,570	108,495
Company contributions to defined contribution pension schemes	1,313	30,150
	<u>146,883</u>	<u>138,645</u>

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

8. Interest payable and similar charges

	2016 £	2015 £
Interest on banks loans and overdrafts	<u>1,633</u>	<u>984</u>

PRICE & PIERCE FOREST PRODUCTS LIMITED

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

9. Tax on profit on ordinary activities

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	84,000	58,250
Adjustments in respect of previous periods	(749)	(3,250)
	<u>83,251</u>	<u>55,000</u>
Total current tax	<u>83,251</u>	<u>55,000</u>

Reconciliation of tax expense

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.5%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>373,217</u>	<u>243,469</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.5%)	74,643	48,000
Effects of:		
Expenses not deductible for tax purposes	7,260	9,250
Capital allowances for year in excess of depreciation	2,097	1,000
Adjustments to tax charge in respect of prior periods	(749)	(3,250)
Total tax charge for the year	<u>83,251</u>	<u>55,000</u>

PRICE & PIERCE FOREST PRODUCTS LIMITED

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

10. Tangible assets

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2016	52,245	-	52,245
Additions	6,787	29,500	36,287
Disposals	(11,884)	-	(11,884)
At 31 December 2016	47,148	29,500	76,648
Depreciation			
At 1 January 2016	39,319	-	39,319
Charge for the period on owned assets	8,718	1,844	10,562
Disposals	(11,830)	-	(11,830)
At 31 December 2016	36,207	1,844	38,051
Net book value			
At 31 December 2016	10,941	27,656	38,597
At 31 December 2015	12,926	-	12,926

11. Stocks

	2016 £	2015 £
Finished goods in transit	873,306	867,452
Finished goods and goods for resale	2,830,984	1,346,795
	3,704,290	2,214,247

At the 31 December 2016 and 2015, there was no significant difference between the replacement cost and the value disclosed above.

PRICE & PIERCE FOREST PRODUCTS LIMITED

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

12. Debtors

	2016 £	2015 £
Trade debtors	4,252,113	1,972,959
Prepayments and accrued income	13,689	35,389
	<u>4,265,802</u>	<u>2,008,348</u>

All amounts included above are considered receivable within one year of the balance sheet date.

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	494,583	-
Trade creditors	4,576,916	2,631,046
Amounts owed to group undertakings	50,000	-
Corporation tax	84,000	58,250
Other taxation and social security	414,680	306,345
Accruals and deferred income	358,076	280,392
	<u>5,978,255</u>	<u>3,276,033</u>

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

	2016 £	2015 £
Amounts owed to group undertakings	-	100,000
	<u>-</u>	<u>100,000</u>

The amount due to KB Holdings Inc is £50,000 (2015 - £100,000) which is now included in creditors falling due within one year. The loan will be repaid in quarterly installments in 2017 with interest payable of 0.25% above UK base rate. The loan is secured by a charge and debenture on the assets of the company. Interest paid on the loan in 2016 amounted to £540 (2015 - £981).

15. Employee Benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £24,571 (2015: £47,574).

PRICE & PIERCE FOREST PRODUCTS LIMITED

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

16. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	4,252,113	2,853,939
	<u>4,252,113</u>	<u>2,853,939</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(5,620,183)	(2,995,641)
	<u>(5,620,183)</u>	<u>(2,995,641)</u>

The financial assets consist of the cash balances, trade debtors and other debtors except for the prepayments.

The financial liabilities consist of all current liabilities except for the accruals.

17. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
251,200 Ordinary shares of £1 each	251,200	251,200
	<u>251,200</u>	<u>251,200</u>

18. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

19. Operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	38,857	38,857
Later than 1 year and not later than 5 years	17,229	51,686
	<u>56,086</u>	<u>90,543</u>

PRICE & PIERCE FOREST PRODUCTS LIMITED

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

20. Related party transactions

At the year end an amount of £50,000 (2015: £100,000) was owed to the parent company, K B Holdings inc. There were no trading transactions with this company during the year.

21. Controlling party

At 31 December 2016 the immediate and ultimate holding company was K B Holdings inc, a company incorporated in Canada. Other than the transaction stated in note 14, there have been no other related party transactions in the year.