

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012
FOR
BAYRAM TIMBER LIMITED

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FOR THE YEAR ENDED 31 OCTOBER 2012

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BAYRAM TIMBER LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2012

DIRECTORS:	G Goodwin J A Grace A D Clarke C J Husband
SECRETARY:	I W Jordan
REGISTERED OFFICE	Gibson Lane Melton North Ferriby Hull Humberside HU14 3HF
REGISTERED NUMBER.	03995988
SENIOR STATUTORY AUDITOR:	David Miller
AUDITORS:	Bartfields (UK) Limited Statutory Auditors Burley House 12 Clarendon Road Leeds LS2 9NF
BANKERS:	Barclays Bank Plc 2 Humber Quays Wellington Street West Hull HU1 2BN
SOLICITORS:	Andrew Jackson Marina Court Castle Street Hull HU1 1TJ

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2012

The directors present their report with the financial statements of the company for the year ended 31 October 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of adding value to imported kiln dried sawn softwoods by processing and cutting for supply in ready to assemble form to industrial end users from two factories in the Hull area

REVIEW OF BUSINESS

We saw a similar trend to the previous year where a difficult start in the first quarter was followed by much improved trading through the second and early part of the third quarters driven primarily by demand from the garden sector. However, this demand deteriorated from July onwards, much earlier than usual, due to the impact of the poor summer weather.

Demand from our core leisure sector customers was 5% down on last year as market conditions remained fairly flat, but we were still able to generate overall sales growth of 4% with our average selling price almost identical to the previous year despite the less profitable sales mix and increased competition due to the flat market conditions.

Raw material prices remained relatively stable throughout the year but through efficient timing of purchases we saw an overall 2% reduction in our average purchase price.

Manufacturing costs increased by 5% with the most noticeable increase within utility costs. This was mainly due to the higher price of gas/oil but our previous fixed price electricity contract expired during the period and had to be renegotiated at higher unit prices too.

However, the overall impact of these changes was a small increase in gross margin and a resultant 9% increase in gross profit, and with strict overhead controls in place we maintained operating and financial costs almost at last year's levels and generated a £167k turnaround in profitability, with a pre tax profit of £100k.

Market conditions are expected to remain difficult through 2013 and the Board recognises the need to maintain tight controls, systems and procedures and will continue to analyse daily statistical reports and key performance indicators to ensure the company operates in the most cost effective manner and identify efficiencies wherever possible.

Our efforts to diversify into new markets over the past 18 months have continued to prove beneficial with sustained sales growth from this area, although we do not forecast that this trend will continue, partly due to the commercial credit exposure required to support this growth. However, we are actively seeking to expand our kit supply concept into the leisure markets and post year end, we have created a design & drawing function to support this.

We fully expect that this will enable us to increase our added value turnover in what we still expect to be a flat market through 2013. We have also won a contract to supply a wholesale distributor for onward supply into the major retail chains and there is major growth potential with this customer. These benefits will not materialise until the second half of this year but after 4 months, we are pleased to report our net profit is ahead of the same period last year.

DIVIDENDS

An interim dividend of £19,008 per share on the Ordinary 'A' £1 shares was paid on 31 July 2012. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 October 2012 will be £19,008.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2012

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2011 to the date of this report

G Goodwin
J A Grace
A D Clarke
C J Husband

The company has made qualifying third party indemnity provisions for the benefit of its directors

PRINCIPAL RISKS AND UNCERTAINTIES

Although we enjoyed stable raw material prices in the year under review, global demand for timber and the willingness of other countries to pay higher prices is now having an effect. The weakness of sterling against the euro and other European currencies is also having an adverse affect on prices. To balance this, the company has secured good volumes of cheaper raw material but average prices will still increase in the second half of the year.

Weak UK demand coupled with increased competition will make it difficult to pass on all of the raw material price increases and this would place pressure on gross margin so the need for further efficiency gains and strict overhead control is crucial to maintain profitability.

Demand from the leisure sector has contracted significantly since the peak levels of 2007 and although we have managed to replace the lost volume, it has been at a lower gross margin. This has also created a very seasonal business model with an increased reliance upon the garden sector, which in turn, is reliant upon sustained good weather conditions.

Not only is this a factor beyond our control, it also places increased demands upon our manufacturing and storage capacities through the spring and early summer months. The new business we have secured and the efforts to increase kit supply will help to smooth out these peak demand levels.

Energy and fuel costs form a significant proportion of the company's overhead and unit costs remain relatively high. The Board is still in discussion with the landlords of both our sites regarding alternative fuel sources which could reduce current cost levels.

The company still generates substantial revenue from sales of wood shavings and the market price for this product is both seasonal and volatile, although the Board has entered into an annual contract with a fixed minimum price level to mitigate this risk.

The company continues to operate strict control systems covering accounts, sales, production, operational matters, stock control, quality control, and health and safety in order to manage these risks. These systems have recently been audited by an independent auditor and found to be robust and stringent.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

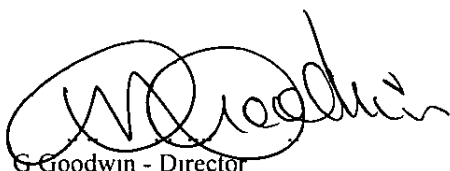
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

AUDITORS

Bartfields (UK) Limited will be proposed for re-appointment in accordance with the Companies Act 2006.

ON BEHALF OF THE BOARD.



G. Goodwin - Director

Date 23/4/2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BAYRAM TIMBER LIMITED

We have audited the financial statements of Bayram Timber Limited for the year ended 31 October 2012 on pages six to eighteen. 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).

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 pages three and four, 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 October 2012 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

David Miller (Senior Statutory Auditor)
for and on behalf of Bartfields (UK) Limited
Statutory Auditors
Burley House
12 Clarendon Road
Leeds
LS2 9NF

Date 25/4/2013

BAYRAM TIMBER LIMITED (REGISTERED NUMBER. 03995988)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2012

	Notes	2012 £	£	2011 £	£
TURNOVER			14,526,302		14,026,663
Cost of sales			12,139,546		11,834,502
GROSS PROFIT			2,386,756		2,192,161
Distribution costs		788,186		734,266	
Administrative expenses		1,496,645		1,495,799	
			2,284,831		2,230,065
			101,925		(37,904)
Other operating income			85,000		73,333
OPERATING PROFIT	3		186,925		35,429
Interest payable and similar charges	4		86,930		102,682
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			99,995		(67,253)
Tax on profit/(loss) on ordinary activities	5		15,422		(5,603)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			84,573		(61,650)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit the current year and the loss for the previous year

The notes form part of these financial statements

BAYRAM TIMBER LIMITED (REGISTERED NUMBER: 03995988)

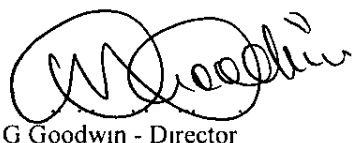
BALANCE SHEET
31 OCTOBER 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	561,939	611,223
CURRENT ASSETS			
Stocks	8	2,395,487	2,219,433
Debtors	9	2,617,970	2,720,971
Cash at bank and in hand		168,836	186,893
		<u>5,182,293</u>	<u>5,127,297</u>
CREDITORS			
Amounts falling due within one year	10	4,290,727	4,310,510
NET CURRENT ASSETS		<u>891,566</u>	<u>816,787</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,453,505</u>	<u>1,428,010</u>
CREDITORS			
Amounts falling due after more than one year	11	(59,979)	(86,500)
PROVISIONS FOR LIABILITIES	15	(41,810)	(55,359)
NET ASSETS		<u><u>1,351,716</u></u>	<u><u>1,286,151</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	10,000	10,000
Capital redemption reserve	17	90,000	90,000
Profit and loss account	17	1,251,716	1,186,151
SHAREHOLDERS' FUNDS	21	<u><u>1,351,716</u></u>	<u><u>1,286,151</u></u>

The financial statements were approved by the Board of Directors on its behalf by

23/4/2013

and were signed on



G Goodwin - Director

The notes form part of these financial statements

BAYRAM TIMBER LIMITED (REGISTERED NUMBER: 03995988)**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 OCTOBER 2012

	Notes	2012 £	2011 £
Net cash inflow from operating activities	1	200,234	371,851
Returns on investments and servicing of finance	2	(86,930)	(102,682)
Taxation		14,431	(24,357)
Capital expenditure	2	(107,867)	(200,101)
Equity dividends paid		(19,008)	-
		860	44,711
Financing	2	(18,917)	(30,571)
(Decrease)/increase in cash in the period		(18,057)	14,140
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/increase in cash in the period		(18,057)	14,140
Cash outflow from decrease in debt and lease financing		18,917	30,571
Change in net debt resulting from cash flows		860	44,711
Movement in net debt in the period		860	44,711
Net debt at 1 November		(1,888,373)	(1,933,084)
Net debt at 31 October		(1,887,513)	(1,888,373)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2012

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	186,925	35,429
Depreciation charges	163,484	164,298
Profit on disposal of fixed assets	(6,333)	(2,000)
Increase in stocks	(176,054)	(157,520)
Decrease in debtors	89,257	205,674
(Decrease)/increase in creditors	(57,045)	125,970
Net cash inflow from operating activities	200,234	371,851

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest paid	(77,098)	(93,755)
Interest element of hire purchase payments	(9,832)	(8,927)
Net cash outflow for returns on investments and servicing of finance	(86,930)	(102,682)
Capital expenditure		
Purchase of tangible fixed assets	(120,867)	(202,101)
Sale of tangible fixed assets	13,000	2,000
Net cash outflow for capital expenditure	(107,867)	(200,101)
Financing		
New loans in year	-	106,110
Invoice discounting loan movement	9,834	(60,376)
Hire purchase capital repayments in year	(28,751)	(76,305)
Net cash outflow from financing	(18,917)	(30,571)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2012

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 11 11 £	Cash flow £	At 31 10 12 £
Net cash			
Cash at bank and in hand	186,893	(18,057)	168,836
	<u>186,893</u>	<u>(18,057)</u>	<u>168,836</u>
Debt			
Hire purchase	(161,291)	28,751	(132,540)
Debts falling due within one year	<u>(1,913,975)</u>	<u>(9,834)</u>	<u>(1,923,809)</u>
	<u>(2,075,266)</u>	<u>18,917</u>	<u>(2,056,349)</u>
Total	<u>(1,888,373)</u>	<u>860</u>	<u>(1,887,513)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The company's business activities, together with the factors likely to affect its future development, performance and position, and the principal risks and uncertainties it faces, are set out in the Directors Report

The company meets its day-to-day working capital requirements through an invoice discounting facility which is variable dependent on sales. The current economic conditions create uncertainty particularly over the level of demand for the company's products and the cost of the company's raw materials. However, the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company will be able to operate within the level of its facility.

Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property		straight line over the life of the lease
Plant and machinery	12.5%	on cost
Fixtures and fittings	25.0%	on cost
Motor vehicles	25.0%	on cost

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Cost includes directly attributable transport and machining costs incurred in bringing the stock to its current state and location. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

All other leases are treated as operating leases. Their annual rentals are charged/(credited) to the profit and loss account on a straight-line basis over the term of the lease.

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 the profit and loss account in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2012

1 ACCOUNTING POLICIES - continued

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.

Financial liability and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the instrument's legal form.

2 STAFF COSTS

	2012	2011
	£	£
Wages and salaries	2,323,976	2,162,792
Social security costs	214,000	204,073
Other pension costs	38,535	38,542
	<u>2,576,511</u>	<u>2,405,407</u>

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

	2012	2011
Directors	4	4
Senior management	6	5
Sales/Administration	8	9
Manufacturing	92	82
	<u>110</u>	<u>100</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Other operating leases	273,508	245,192
Operating lease income	(85,000)	(73,333)
Depreciation - owned assets	118,459	119,902
Depreciation - assets on hire purchase contracts	45,025	44,391
Profit on disposal of fixed assets	(6,333)	(2,000)
Auditors remuneration	7,400	7,350
Other services relating to taxation	1,500	1,500
All other services	200	2,865
Hire of plant and machinery - operating leases	<u>98,780</u>	<u>96,891</u>
Directors' remuneration	231,987	230,411
Directors' pension contributions to money purchase schemes	<u>33,014</u>	<u>33,014</u>

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

Money purchase schemes	<u>4</u>	<u>4</u>
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2012

3 OPERATING PROFIT - continued

Information regarding the highest paid director is as follows

	2012	2011
	£	£
Emoluments etc	62,307	61,757
Pension contributions to money purchase schemes	7,354	7,354

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	58	202
Discounting interest	65,558	81,369
Other interest	11,482	12,184
Hire purchase and leasing interest	9,832	8,927
	<u>86,930</u>	<u>102,682</u>

5 TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	2012	2011
	£	£
Current tax		
UK corporation tax	29,657	-
Adjustment for previous periods	(686)	(13,744)
Total current tax	28,971	(13,744)
Origination and reversal of timing differences	(13,549)	8,141
Tax on profit/(loss) on ordinary activities	<u>15,422</u>	<u>(5,603)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2012

5 TAXATION - continued

Factors affecting the tax charge/(credit)

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

	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	<u>99,995</u>	<u>(67,253)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 20%)	19,999	(13,451)
Effects of		
Expenses not deductible for tax purposes	1,282	1,075
Capital allowances for period in deficit / (excess) of depreciation	6,456	(3,288)
Other short term timing differences	1,920	1,920
Adjustment for previous periods	(686)	-
Current tax charge/(credit)	<u>28,971</u>	<u>(13,744)</u>

6 DIVIDENDS

	2012 £	2011 £
Ordinary 'A' shares of £1 each		
Interim dividend	<u>19,008</u>	<u>-</u>

7 TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 November 2011	157,172	1,521,298	147,172	92,454	1,918,096
Additions	4,000	92,772	6,360	17,735	120,867
Disposals	-	(48,200)	-	(21,315)	(69,515)
At 31 October 2012	<u>161,172</u>	<u>1,565,870</u>	<u>153,532</u>	<u>88,874</u>	<u>1,969,448</u>
DEPRECIATION					
At 1 November 2011	54,382	1,064,363	118,447	69,681	1,306,873
Charge for year	16,117	121,977	11,114	14,276	163,484
Eliminated on disposal	-	(41,533)	-	(21,315)	(62,848)
At 31 October 2012	<u>70,499</u>	<u>1,144,807</u>	<u>129,561</u>	<u>62,642</u>	<u>1,407,509</u>
NET BOOK VALUE					
At 31 October 2012	<u>90,673</u>	<u>421,063</u>	<u>23,971</u>	<u>26,232</u>	<u>561,939</u>
At 31 October 2011	<u>102,790</u>	<u>456,935</u>	<u>28,725</u>	<u>22,773</u>	<u>611,223</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2012

7 TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 November 2011	308,956	42,325	351,281
Additions	66,250	17,735	83,985
	<hr/>	<hr/>	<hr/>
At 31 October 2012	375,206	60,060	435,266
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 November 2011	77,870	19,552	97,422
Charge for year	30,749	14,276	45,025
	<hr/>	<hr/>	<hr/>
At 31 October 2012	108,619	33,828	142,447
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 October 2012	266,587	26,232	292,819
	<hr/>	<hr/>	<hr/>
At 31 October 2011	231,086	22,773	253,859
	<hr/>	<hr/>	<hr/>

8 STOCKS

	2012 £	2011 £
Finished goods and goods for resale	2,395,487	2,219,433
	<hr/>	<hr/>

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	2,478,333	2,547,340
Taxation	-	13,744
Prepayments and accrued income	139,637	159,887
	<hr/>	<hr/>
	2,617,970	2,720,971
	<hr/>	<hr/>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Other loans (see note 12)	1,923,809	1,913,975
Hire purchase contracts (see note 13)	72,561	74,791
Trade creditors	1,675,085	1,780,799
Taxation	30,308	650
Social security and other taxes	466,673	382,174
Accruals and deferred income	122,291	158,121
	<hr/>	<hr/>
	4,290,727	4,310,510
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BAYRAM TIMBER LIMITED (REGISTERED NUMBER: 03995988)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2012

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Hire purchase contracts (see note 13)	<u>59,979</u>	<u>86,500</u>

12 LOANS

An analysis of the maturity of loans is given below

	2012	2011
	£	£
Amounts falling due within one year or on demand		
Invoice discounting loan	1,723,809	1,713,975
Other loans	<u>200,000</u>	<u>200,000</u>
	<u>1,923,809</u>	<u>1,913,975</u>

13 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2012	2011
	£	£
Net obligations repayable		
Within one year	72,561	74,791
Between one and five years	<u>59,979</u>	<u>86,500</u>
	<u>132,540</u>	<u>161,291</u>

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2012	2011	2012	2011
	£	£	£	£
Expiring				
Within one year	-	75,000	12,646	16,702
Between one and five years	-	-	10,816	82,264
In more than five years	<u>315,000</u>	<u>160,000</u>	<u>73,632</u>	<u>-</u>
	<u>315,000</u>	<u>235,000</u>	<u>97,094</u>	<u>98,966</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2012

14 SECURED DEBTS

The following secured debts are included within creditors

	2012	2011
	£	£
Invoice discounting loan	1,723,809	1,713,975
Hire purchase contracts	132,540	161,291
Other loans	200,000	200,000
	<u>2,056,349</u>	<u>2,075,266</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate

The invoice discounting loan is secured by a first fixed charge on book debts and a floating charge over other assets of the company

The other loans are secured by a first fixed charge over the assets, excluding book debts, of the company

15 PROVISIONS FOR LIABILITIES

	2012	2011
	£	£
Deferred tax		
Accelerated capital allowances	<u>41,810</u>	<u>55,359</u>
		Deferred tax
		£
Balance at 1 November 2011		55,359
Credit to profit and loss account during year		(13,549)
Balance at 31 October 2012		<u>41,810</u>

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2012	2011
Number	Class	Nominal value	£	£
9,000	Ordinary	£1	9,000	9,000
1,000	Ordinary 'A'	£1	1,000	1,000
			<u>10,000</u>	<u>10,000</u>

The ordinary 'A' shares of £1 each carry the same rights as the ordinary shares of £1 each

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2012

17 RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 November 2011	1,186,151	90,000	1,276,151
Profit for the year	84,573		84,573
Dividends	(19,008)		(19,008)
	<u>1,251,716</u>	<u>90,000</u>	<u>1,341,716</u>
At 31 October 2012	<u>1,251,716</u>	<u>90,000</u>	<u>1,341,716</u>

18 PENSION COMMITMENTS

The company contributes to defined contribution pension schemes in respect of certain employees. At the year end contributions outstanding amounted to £32,800 (2011 £23,200).

19 RELATED PARTY DISCLOSURES

G Goodwin has advanced loans to the company of £75,000 (2011 £75,000), bearing interest at 4.75% above base rate, and £125,000 (2011 £125,000) interest free. Both loans are repayable on demand and are secured by a first fixed charge over the assets, excluding book debts, of the company.

The directors and their families are shareholders in the company. During the year they received dividends totalling £16,980 (2011 Nil). These are outstanding at the year end and included within accruals and deferred income.

20 ULTIMATE CONTROLLING PARTY

The company is controlled by G Goodwin, a director and majority shareholder.

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit/(loss) for the financial year	84,573	(61,650)
Dividends	(19,008)	-
	<u>65,565</u>	<u>(61,650)</u>
Net addition/(reduction) to shareholders' funds	<u>65,565</u>	<u>(61,650)</u>
Opening shareholders' funds	1,286,151	1,347,801
	<u>1,351,716</u>	<u>1,286,151</u>
Closing shareholders' funds	<u>1,351,716</u>	<u>1,286,151</u>