

NATIONAL TIMBER GROUP MIDCO LIMITED

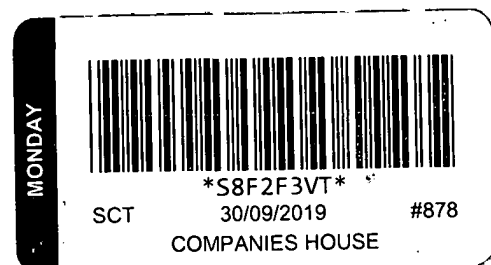
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

**COMPANIES HOUSE
EDINBURGH**

30 SEP 2019

FRONT DESK



NATIONAL TIMBER GROUP MIDCO LIMITED

COMPANY INFORMATION

Directors	J C R Declerck (appointed 1 March 2018) J A G Douglas (appointed 1 June 2018) J J Faulds (appointed 1 March 2018) N A McGill S Whiteford R T Barclay (appointed 12 November 2018) W G Gee (appointed 12 November 2018) A B Muirhead (appointed 12 November 2018) V A Vadaneaux (appointed 12 November 2018)
Registered number	10887323
Registered office	22 Cross Keys Close Marylebone London W1U 2DW
Independent auditor	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants 7 Exchange Crescent Conference Square Edinburgh EH3 8AN
Bankers	PNC Financial Services UK Ltd PNC House 34/36 Perrymount Road Haywards Heath West Sussex RH16 3DN
Solicitors	Addleshaw Goddard LLP 19 Canning Street Edinburgh EH3 8EH

NATIONAL TIMBER GROUP MIDCO LIMITED

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NATIONAL TIMBER GROUP MIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the company is that of an intermediate holding company within the Group (being National Timber Group Topco Limited and its subsidiaries).

Directors

The directors who served during the year were:

J C R Declerck (appointed 1 March 2018)
J A G Douglas (appointed 1 June 2018)
J J Faulds (appointed 1 March 2018)
N A McGill
S Whiteford
R T Barclay (appointed 12 November 2018)
W G Gee (appointed 12 November 2018)
A B Muirhead (appointed 12 November 2018)
V A Vadaneaux (appointed 12 November 2018)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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, including FRS 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Qualifying third party indemnity provisions

The company has provided qualifying third party indemnity provisions in respect of certain directors which were in force during the period and at the date of this report.

NATIONAL TIMBER GROUP MIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



J A G Douglas
Director

Date: 30 September 2019



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL TIMBER GROUP MIDCO LIMITED

Opinion

We have audited the financial statements of National Timber Group Midco Limited (the 'company') for the period ended 31 December 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, 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 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's 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 UK, including the FRC'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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL TIMBER GROUP MIDCO
LIMITED (CONTINUED)**

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 Auditor's 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.

We have nothing to report in this regard.

Opinions 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 Directors' report.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL TIMBER GROUP MIDCO
LIMITED (CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 1, 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.

Auditor's 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 Auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Diana Penny
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Edinburgh

30 September 2019

NATIONAL TIMBER GROUP MIDCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Administrative expenses		(587,781)	(118,231)
Other operating income		1,650,623	-
Operating profit/(loss)		<u>1,062,842</u>	<u>(118,231)</u>
Income from fixed assets investments		18,638,523	-
Interest payable and expenses		(1,962,953)	(143,036)
Exceptional Items	7	(1,105,342)	-
Profit/(loss) before tax		<u>16,633,070</u>	<u>(261,267)</u>
Tax on profit/(loss)	6	-	-
Profit/(loss) for the financial period		<u><u>16,633,070</u></u>	<u><u>(261,267)</u></u>
 Total comprehensive income for the period		 <u><u>16,633,070</u></u>	 <u><u>(261,267)</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 9 to 17 form part of these financial statements.

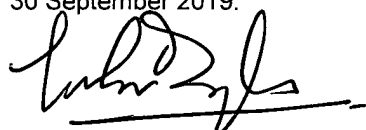
NATIONAL TIMBER GROUP MIDCO LIMITED
REGISTERED NUMBER:10887323

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	8	60,734,101	11,204,693
		<u>60,734,101</u>	<u>11,204,693</u>
Current assets			
Debtors: amounts falling due within one year	9	640,366	1,029,405
Cash at bank and in hand	10	3,278,505	-
		<u>3,918,871</u>	<u>1,029,405</u>
Creditors: amounts falling due within one year	11	(8,393,312)	(2,578,499)
Net current liabilities		<u>(4,474,441)</u>	<u>(1,549,094)</u>
Total assets less current liabilities		<u>56,259,660</u>	<u>9,655,599</u>
Creditors: amounts falling due after more than one year	12	(39,887,856)	(9,916,865)
Net assets/(liabilities)		<u><u>16,371,804</u></u>	<u><u>(261,266)</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		16,371,803	(261,267)
		<u><u>16,371,804</u></u>	<u><u>(261,266)</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019.



J A G Douglas
Director

The notes on pages 9 to 17 form part of these financial statements.

NATIONAL TIMBER GROUP MIDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	1	(261,267)	(261,266)
Profit for the period	-	16,633,070	16,633,070
Total comprehensive income for the period	-	16,633,070	16,633,070
Total transactions with owners	-	-	-
At 31 December 2018	1	16,371,803	16,371,804

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Loss for the period	-	(261,267)	(261,267)
Total comprehensive income for the period	-	(261,267)	(261,267)
Shares issued during the period	1	-	1
Total transactions with owners	1	-	1
At 31 December 2017	1	(261,267)	(261,266)

The notes on pages 9 to 17 form part of these financial statements.

NATIONAL TIMBER GROUP MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

National Timber Group Midco Limited is a private company limited by shares and incorporated in England and Wales. Registered number 10887323. Its registered head office is located at 22 Cross Keys Close, Marylebone, London, United Kingdom, W1U 2DW.

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 judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of National Timber Group Topco Limited as at 31 December 2018 and these financial statements may be obtained from Companies House.

2.3 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.4 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

NATIONAL TIMBER GROUP MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Creditors

Short term creditors are measured at the transaction price.

2.8 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2.10 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.

NATIONAL TIMBER GROUP MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The directors have made an assessment as to the amount of deferred consideration as shown in notes 11 and 12.

4. Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>3,150</u>	<u>3,150</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

5. Employees

The company has no employees other than the directors, who did not receive any remuneration (2017 - £Nil).

6. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on ordinary activities for the period	-	-
Tax on ordinary activities	<u>-</u>	<u>-</u>

NATIONAL TIMBER GROUP MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017: 19%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	<u>16,633,070</u>	<u>(261,267)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	3,160,283	(49,641)
Effects of:		
Non taxable income	(3,541,319)	-
Group relief surrendered/(claimed)	79,725	-
Deferred tax not recognised	301,311	49,641
Total tax charge for the year/period	<u>-</u>	<u>-</u>

7. Exceptional items

	2018 £	2017 £
Restructuring costs	<u>1,105,342</u>	<u>-</u>

Acquisitions in the year have resulted in restructuring across all group operations.

NATIONAL TIMBER GROUP MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	11,204,693
Additions	49,529,408
At 31 December 2018	<u>60,734,101</u>
Net book value	
At 31 December 2018	<u>60,734,101</u>
<i>At 31 December 2017</i>	<u>11,204,693</u>

NATIONAL TIMBER GROUP MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Principal activity	Class of shares	Holding
Thornbridge Sawmills Limited	Scotland	Timber importing and sawmilling	Ordinary	100%
LHSL2 Ltd	Scotland	Holding company	Ordinary	100%
Arnold Laver Holdings Ltd	England and Wales	Holding company	Ordinary	100%
NYT (Holdings) Limited	England and Wales	Holding company	Ordinary	100%
North Yorkshire Timber Company Limited	England and Wales	Timber and Plywood importing and sawmills	Ordinary	100%
Rembrand Timber Limited	Scotland	Sale of timber products	Ordinary	100%
Glow Insulation & Site Supplies Limited	Scotland	Sale of insulation products	Ordinary	100%
Rembrand Builders Merchants Limited	Scotland	Sale of building materials	Ordinary	100%
Scotia Roofing Supplies Limited	Scotland	Sale of roofing materials	Ordinary	100%
Arnold Laver & Company Limited	England and Wales	Timber merchant	Ordinary	100%
Fire Door Inspect Limited	England and Wales	Door inspection and certification	Ordinary	100%

The company has chosen to apply the available exemption in relation to preparing consolidated accounts. Consolidated accounts have been prepared at National Timber Group Topco Limited level, the immediate parent of National Timber Group Midco Limited.

NATIONAL TIMBER GROUP MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	176,237	969,886
Other debtors	464,129	59,519
	<u>640,366</u>	<u>1,029,405</u>

10. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>3,278,505</u>	<u>-</u>

11. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	2,171,832	856,740
Amounts owed to group undertakings	4,865,166	191,999
Other creditors	450,000	-
Accruals and deferred income	906,314	1,529,760
	<u>8,393,312</u>	<u>2,578,499</u>

Bank loans are secured by a fixed floating charge over the company's assets.

Other creditors represents deferred consideration of £900,000 split between less than one year and greater than one year.

NATIONAL TIMBER GROUP MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	2018 £	2017 £
Bank loans	7,503,786	4,096,865
Shareholder loan notes	31,934,070	5,820,000
Other creditors	450,000	-
	<u>39,887,856</u>	<u>9,916,865</u>

Interest is payable on the above loan at rates ranging between 3% and 12%. Unless certain business conditions are fulfilled, shareholder loan notes are repayable on 7 November 2025.

Bank loans are secured by a fixed floating charge over the company's assets.

13. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	2,171,832	856,740
Amounts falling due 1-2 years		
Bank loans	2,171,832	878,580
Amounts falling due 2-5 years		
Bank loans	5,331,954	3,218,285
Amounts falling due after more than 5 years		
Shareholder Loan Notes	31,934,070	5,820,000
	<u>41,609,688</u>	<u>10,773,605</u>

NATIONAL TIMBER GROUP MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Capital commitments

The company had no capital commitments as at 31 December 2018 and 31 December 2017.

15. Related party transactions

The company has taken advantage of the exemption provided by FRS 102 from the requirement to report transactions with other group companies that are 100% subsidiaries of the parent company National Timber Group Topco Limited.

16. Controlling party

The company's immediate and ultimate parent undertaking is National Timber Group Topco Limited, a company registered in England and Wales.

The ultimate controlling party is Cairngorm Capital Partners II LP, a fund managed by Cairngorm Capital Partners LLP, a partnership registered in England and Wales.

The consolidated accounts of National Timber Group Topco Limited in which this company is included are available to the public and may be obtained from Companies House.