

**M R ELLIS (TIMBER) LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 MARCH 2021**

TUESDAY



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COMPANIES HOUSE

**M R ELLIS (TIMBER) LIMITED**  
**REGISTERED NUMBER: 01169327**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	4	<u>1,771,371</u>	<u>1,765,130</u>
		<b>1,771,371</b>	<b>1,765,130</b>
<b>Current assets</b>			
Stocks	5	711,801	785,038
Debtors: amounts falling due within one year	6	4,765,463	1,800,519
Cash at bank and in hand	7	<u>4,315,611</u>	<u>4,453,106</u>
		<b>9,792,875</b>	<b>7,038,663</b>
Creditors: amounts falling due within one year	8	<u>(1,287,054)</u>	<u>(1,026,047)</u>
<b>Net current assets</b>		<b>8,505,821</b>	<b>6,012,616</b>
<b>Total assets less current liabilities</b>		<b>10,277,192</b>	<b>7,777,746</b>
<b>Provisions for liabilities</b>			
Deferred tax		<u>(242,101)</u>	<u>(231,050)</u>
		<b>(242,101)</b>	<b>(231,050)</b>
<b>Net assets</b>		<b>10,035,091</b>	<b>7,546,696</b>
<b>Capital and reserves</b>			
Called up share capital	9	32,000	32,000
Profit and loss account		<u>10,003,091</u>	<u>7,514,696</u>
		<b>10,035,091</b>	<b>7,546,696</b>

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**M R ELLIS (TIMBER) LIMITED**  
**REGISTERED NUMBER: 01169327**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2021**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with 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  
*10 December 2021.*

*M. R. Ellis*

.....  
**M R Ellis**  
Director

*E. M. Ellis*

.....  
**E M Ellis**  
Director

The notes on pages 3 to 11 form part of these financial statements.

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## M R ELLIS (TIMBER) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. Company information

M R Ellis (Timber) Limited is a company incorporated in England and Wales, registration number 01169327. The registered office is The Sawmill, Main Road, Hevingham, Norfolk, NR10 5LX.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 Section 1A, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The financial statements are presented in sterling (£).

The following principal accounting policies have been applied:

##### 2.2 Going concern

The Directors have concluded that they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of signing these financial statements, and they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

##### 2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

###### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 2.4 Operating leases: The company as lessee

Rentals paid under operating leases are charged to the Income statement on a straight line basis over the period of the lease.

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**M R ELLIS (TIMBER) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (CONTINUED)**

**2.5 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

**2.6 Interest income**

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

**2.7 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.

**2.8 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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

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**M R ELLIS (TIMBER) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (CONTINUED)**

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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## M R ELLIS (TIMBER) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (CONTINUED)

##### 2.10 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to Income statement during the period in which they are incurred.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets 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:

Land and buildings freehold	-	2% Straight Line
Plant & machinery	-	20% Straight Line
Motor vehicles	-	25% 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 within 'administration expenses' in the Income statement.

##### 2.11 Investments

Investments held as current assets are cash balances held on deposit and are shown at cost.

##### 2.12 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. Work in progress and finished goods include labour and attributable overheads.

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 the Income statement.

##### 2.13 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.

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## M R ELLIS (TIMBER) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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## 2. Accounting policies (CONTINUED)

### 2.14 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.

### 2.15 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.

### 2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

### 2.17 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.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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,



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**M R ELLIS (TIMBER) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (CONTINUED)**

**2.17 Financial instruments (continued)**

an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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.

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**M R ELLIS (TIMBER) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**3. Employees**

The average monthly number of employees, including directors, during the year was 34 (2020 - 38).

**4. Tangible fixed assets**

	Freehold property £	Plant & machinery £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	1,908,478	6,871,936	8,780,414
Additions	-	171,069	171,069
Disposals	-	(192,397)	(192,397)
At 31 March 2021	<u>1,908,478</u>	<u>6,850,608</u>	<u>8,759,086</u>
<b>Depreciation</b>			
At 1 April 2020	505,977	6,509,307	7,015,284
Charge for the year on owned assets	37,280	115,166	152,446
Disposals	-	(180,015)	(180,015)
At 31 March 2021	<u>543,257</u>	<u>6,444,458</u>	<u>6,987,715</u>
<b>Net book value</b>			
At 31 March 2021	<u><u>1,365,221</u></u>	<u><u>406,150</u></u>	<u><u>1,771,371</u></u>
At 31 March 2020	<u><u>1,402,501</u></u>	<u><u>362,629</u></u>	<u><u>1,765,130</u></u>

Depreciation has not been charged on freehold land which is stated at a cost of £33,958 (2020 - £33,958)

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**M R ELLIS (TIMBER) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**5. Stocks**

	2021 £	2020 £
Raw materials and consumables	289,653	209,322
Finished goods and goods for resale	422,148	575,716
	<u>711,801</u>	<u>785,038</u>

**6. Debtors**

	2021 £	2020 £
Trade debtors	1,333,491	1,288,689
Amounts owed by group undertakings	3,388,842	383,842
Prepayments and accrued income	43,130	127,988
	<u>4,765,463</u>	<u>1,800,519</u>

**7. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	4,315,611	4,453,106
	<u>4,315,611</u>	<u>4,453,106</u>

**8. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	551,407	574,407
Corporation tax	338,014	69,215
Other taxation and social security	215,369	214,768
Other creditors	1,161	5,585
Accruals and deferred income	181,103	162,072
	<u>1,287,054</u>	<u>1,026,047</u>

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**M R ELLIS (TIMBER) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**9. SHARE CAPITAL**

	2021 £	2020 £
<b>Shares classified as equity</b>		
<b>Authorised, allotted, called up and fully paid</b>		
32,000 Ordinary shares of £1 each	<u>32,000</u>	<u>32,000</u>

**10. Prior year adjustment**

Turnover in the prior year has been restated to show income from the Renewable Heat Incentive scheme as other operating income. This adjustment has had no effect on profits or reserves.

**11. Pension commitments**

The Company operates a defined contribution 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 £18,437 (2020: £22,506). Contributions totaling £915 (2020: £3,841) were payable to the fund at the balance sheet date.

**12. Controlling party**

The Company's ultimate controlling party is Ellis Timber (Holdings) Limited.

Ellis Timber (Holdings) Limited is a company under the control of M R Ellis, Mrs E M Ellis, P Ellis and M Ellis.