

Company Registration No. 01169327 (England and Wales)

**M R ELLIS (TIMBER) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2001**



# M R ELLIS (TIMBER) LIMITED

## COMPANY INFORMATION

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Directors	M R Ellis E M Ellis P Ellis M Ellis
Secretary	E M Ellis
Company number	01169327
Registered office	Abbotts Hall Drabblegate Aylsham Norfolk NR11 6LR
Auditors	Larking Gowen King Street House 15 Upper King Street Norwich NR3 1RB
Business address	Abbotts Hall Drabblegate Aylsham Norfolk NR11 6LR
Bankers	Barclays Bank Plc PO Box 596 Market Place Aylsham Norfolk NR11 6PQ
Solicitors	Eversheds Holland Court The Close Norwich NR1 4DX

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# M R ELLIS (TIMBER) LIMITED

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# M R ELLIS (TIMBER) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

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The directors present their report and financial statements for the year ended 31 March 2001.

### Principal activities and review of the business

The principal activity of the company is that of timber merchants.

The results for the year were again satisfactory. The prudent financial control exercised by management in past years now enables the company to respond to the changes in market conditions. This policy will be maintained and the directors expect that the company's present financial position will be sustained for the foreseeable future.

### Results and dividends

The results for the year are set out on page 5.

### Directors

The following directors have held office since 1 April 2000:

M R Ellis  
E M Ellis  
P Ellis  
M Ellis

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	31 March 2001	1 April 2000
M R Ellis	4,640	4,640
E M Ellis	4,640	4,640
P Ellis	11,360	11,360
M Ellis	11,360	11,360

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Larking Gowen be reappointed as auditors of the company will be put to the Annual General Meeting.

# M R ELLIS (TIMBER) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

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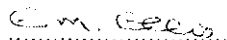
### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

On behalf of the board



E M Ellis

Director

15/10/2001



CHARTERED  
ACCOUNTANTS

## **M R ELLIS (TIMBER) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF M R ELLIS (TIMBER) LIMITED**

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We have audited the financial statements of M R Ellis (Timber) Limited on pages 5 to 15 for the year ended 31 March 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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CHARTERED  
ACCOUNTANTS

## M R ELLIS (TIMBER) LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF M R ELLIS (TIMBER) LIMITED

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#### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Larking Gowen', written over a dotted line.

Larking Gowen

Chartered Accountants

Registered Auditors

Norwich

16<sup>th</sup> October 2001

# M R ELLIS (TIMBER) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 £	2000 £
Turnover	2	4,060,603	4,291,024
Cost of sales		(3,181,519)	(3,071,672)
<b>Gross profit</b>		<b>879,084</b>	<b>1,219,352</b>
Distribution costs		(286,162)	(295,910)
Administrative expenses		(346,482)	(623,949)
<b>Operating profit</b>	<b>3</b>	<b>246,440</b>	<b>299,493</b>
Other interest receivable and similar income		70,453	37,316
Interest payable and similar charges	4	(6,701)	(2,481)
<b>Profit on ordinary activities before taxation</b>		<b>310,192</b>	<b>334,328</b>
Tax on profit on ordinary activities	5	(90,668)	(92,001)
<b>Profit on ordinary activities after taxation</b>	<b>14</b>	<b>219,524</b>	<b>242,327</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



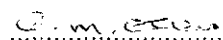
# M R ELLIS (TIMBER) LIMITED

## BALANCE SHEET AS AT 31 MARCH 2001

	Notes	2001 £	£	2000 £	£
<b>Fixed assets</b>					
Tangible assets	6		1,049,840		1,211,414
<b>Current assets</b>					
Stocks	7	418,311		237,397	
Debtors	8	738,306		854,814	
Cash at bank and in hand		1,292,602		900,474	
		<u>2,449,219</u>		<u>1,992,685</u>	
Creditors: amounts falling due within one year	9	(1,060,787)		(983,684)	
<b>Net current assets</b>			<u>1,388,432</u>		<u>1,009,001</u>
<b>Total assets less current liabilities</b>			<u>2,438,272</u>		<u>2,220,415</u>
Creditors: amounts falling due after more than one year	10		-		(1,667)
			<u>2,438,272</u>		<u>2,218,748</u>
<b>Capital and reserves</b>					
Called up share capital	13		32,000		32,000
Profit and loss account	14		2,406,272		2,186,748
<b>Shareholders' funds - equity interests</b>	15		<u>2,438,272</u>		<u>2,218,748</u>

The financial statements were approved by the Board on 15<sup>th</sup> October 2001

  
M R Ellis  
Director

  
E M Ellis  
Director

# M R ELLIS (TIMBER) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

	2001 £	2000 £
Net cash inflow from operating activities	474,628	773,184
Returns on investments and servicing of finance		
Interest received	70,453	37,316
Interest paid	(6,701)	(2,481)
Net cash inflow for returns on investments and servicing of finance	63,752	34,835
Taxation	(92,001)	(33,174)
Capital expenditure		
Payments to acquire tangible assets	(183,118)	(318,778)
Receipts from sales of tangible assets	27,000	12,149
Net cash outflow for capital expenditure	(156,118)	(306,629)
Net cash inflow before management of liquid resources and financing	290,261	468,216
Financing		
Capital element of finance lease contracts	(3,333)	(3,333)
Net cash outflow from financing	(3,333)	(3,333)
Increase in cash in the year	286,928	464,883

# M R ELLIS (TIMBER) LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

1	Reconciliation of operating profit to net cash inflow from operating activities	2001	2000
		£	£
	Operating profit	246,440	299,493
	Depreciation of tangible assets	320,711	349,463
	Profit on disposal of tangible assets	(3,019)	(12,149)
	Increase in stocks	(180,914)	(15,088)
	Decrease/(increase) in debtors	116,508	(99,089)
	(Decrease)/Increase in creditors within one year	(25,098)	250,554
	<b>Net cash inflow from operating activities</b>	<b>474,628</b>	<b>773,184</b>

2	Analysis of net funds	1 April 2000	Cash flow	Other non- cash changes	31 March 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	900,474	392,128	-	1,292,602
	Bank overdrafts	(141,872)	(105,200)	-	(247,072)
		<u>758,602</u>	<u>286,928</u>	<u>-</u>	<u>1,045,530</u>
	Debt:				
	Finance leases	(5,000)	3,333	-	(1,667)
	<b>Net funds</b>	<b><u>753,602</u></b>	<b><u>290,261</u></b>	<b><u>-</u></b>	<b><u>1,043,863</u></b>

3	Reconciliation of net cash flow to movement in net funds	2001	2000
		£	£
	Increase in cash in the year	286,928	464,883
	Cash outflow from decrease in debt and lease financing	3,333	3,333
	<b>Movement in net funds in the year</b>	<b>290,261</b>	<b>468,216</b>
	Opening net funds	753,602	285,386
	<b>Closing net funds</b>	<b><u>1,043,863</u></b>	<b><u>753,602</u></b>

# M R ELLIS (TIMBER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Turnover

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

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% Straight Line
Plant and machinery	20% Straight Line
Motor vehicles	25% Straight Line

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.5 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

#### 1.6 Pensions

The company operates a defined contribution pension scheme under which contributions by employees and by the company are held in trust funds separated from the company finances.

The pension cost charge represents the contributions payable by the company under the rules of the scheme.

#### 1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# M R ELLIS (TIMBER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

<b>3</b>	<b>Operating profit</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	320,711	349,463
	Auditors' remuneration	7,675	7,450
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Interest payable</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	293	-
	On other loans	5,903	1,976
	Hire purchase interest	505	505
		<u>          </u>	<u>          </u>
		6,701	2,481
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Taxation</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Domestic current year taxation		
	U.K. corporation tax	89,002	92,001
	Adjustment for prior years	1,666	-
		<u>          </u>	<u>          </u>
		90,668	92,001
		<u>          </u>	<u>          </u>

# M R ELLIS (TIMBER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

### 6 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2000	643,415	2,485,925	526,919	3,656,259
Additions	26,899	115,424	40,795	183,118
Disposals	-	-	(65,935)	(65,935)
At 31 March 2001	670,314	2,601,349	501,779	3,773,442
<b>Depreciation</b>				
At 1 April 2000	98,991	1,898,271	447,583	2,444,845
On disposals	-	-	(41,954)	(41,954)
Charge for the year	12,517	269,280	38,914	320,711
At 31 March 2001	111,508	2,167,551	444,543	2,723,602
<b>Net book value</b>				
At 31 March 2001	558,806	433,798	57,236	1,049,840
At 31 March 2000	544,424	587,654	79,336	1,211,414

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
<b>Net book values</b>	
At 31 March 2001	3,875
At 31 March 2000	7,750
<b>Depreciation charge for the year</b>	
31 March 2001	3,875
31 March 2000	3,875

Depreciation has not been charged on freehold land, which is stated at cost of £33,958 (2000 : £33,958).

# M R ELLIS (TIMBER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

<b>7</b>	<b>Stocks and work in progress</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Raw materials and consumables	80,176	68,996
	Fuel stocks	663	8,880
	Finished goods and goods for resale	337,472	159,521
		<u>418,311</u>	<u>237,397</u>
<b>8</b>	<b>Debtors</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Trade debtors	731,183	842,198
	Prepayments and accrued income	7,123	12,616
		<u>738,306</u>	<u>854,814</u>
<b>9</b>	<b>Creditors: amounts falling due within one year</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	247,072	141,872
	Net obligations under hire purchase contracts	1,667	3,333
	Trade creditors	352,173	233,666
	Corporation tax	90,668	92,001
	Other taxes and social security costs	85,616	122,150
	Directors' current accounts	168,265	34,077
	Other creditors	98,836	343,819
	Accruals and deferred income	16,490	12,766
		<u>1,060,787</u>	<u>983,684</u>

# M R ELLIS (TIMBER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

10 Creditors: amounts falling due after more than one year	2001 £	2000 £
Net obligations under hire purchase contracts	-	1,667
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	1,667	3,333
Repayable between one and five years	-	1,667
	1,667	5,000
Included in liabilities falling due within one year	(1,667)	(3,333)
	-	1,667

Obligations under hire purchase contracts are secured upon the respective assets.

### 11 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	2001 £	Not provided 2000 £	2001 £	Provided 2000 £
Accelerated capital allowances	4,339	26,508	-	-

### 12 Pension costs

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 £14,841 (2000 : £Nil).

13 Share capital	2001 £	2000 £
<b>Authorised</b>		
50,000 Ordinary Shares of £ 1 each	50,000	50,000
<b>Allotted, called up and fully paid</b>		
32,000 Ordinary Shares of £ 1 each	32,000	32,000



# M R ELLIS (TIMBER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

### 14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2000	2,186,748
Retained profit for the year	219,524
	<u>2,406,272</u>
Balance at 31 March 2001	<u>2,406,272</u>

### 15 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	219,524	242,327
Opening shareholders' funds	2,218,748	1,976,421
	<u>2,438,272</u>	<u>2,218,748</u>
Closing shareholders' funds	<u>2,438,272</u>	<u>2,218,748</u>

### 16 Directors' emoluments

	2001 £	2000 £
Emoluments for qualifying services	243,772	459,438
Company pension contributions to money purchase schemes	12,000	-
	<u>255,772</u>	<u>459,438</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2000- 4).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>67,847</u>	<u>103,927</u>
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# M R ELLIS (TIMBER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

### 17 Transactions with directors

The company has loans from the directors of the company which are repayable on demand and had the following balances at the year end :

M R Ellis and Mrs E M Ellis £91,789 (2000 : £33,493)

P Ellis £35,892 (2000 : £494)

M Ellis £40,584 (2000 : £90)

Interest is paid by the company on the loans at 2.00% above bank base rate and amounted to £5,903 for the year.

The maximum balances owed by the company during the year were :

M R Ellis and Mrs E M Ellis £95,910 (2000 : £52,134)

P Ellis £44,855 (2000 : £633)

M Ellis £40,584 (2000 : £260)

### 18 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Production	37	32
Administration	4	4
	<u>41</u>	<u>36</u>

#### Employment costs

	£	£
Wages and salaries	794,012	927,973
Social security costs	75,069	94,156
Other pension costs	14,841	-
	<u>883,922</u>	<u>1,022,129</u>

### 19 Control

M R Ellis, Mrs E M Ellis, P Ellis and M Ellis are directors and shareholders of the company and jointly control the company.