

M R ELLIS (TIMBER) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2023

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M R ELLIS (TIMBER) LIMITED
REGISTERED NUMBER: 01169327

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	2,353,191	1,939,357
		<u>2,353,191</u>	<u>1,939,357</u>
Current assets			
Stocks	5	1,157,186	906,642
Debtors: amounts falling due within one year	6	4,540,526	5,132,973
Cash at bank and in hand	7	6,215,517	5,243,020
		<u>11,913,229</u>	<u>11,282,635</u>
Creditors: amounts falling due within one year	8	(858,292)	(1,227,901)
Net current assets		<u>11,054,937</u>	<u>10,054,734</u>
Total assets less current liabilities		<u>13,408,128</u>	<u>11,994,091</u>
Provisions for liabilities			
Deferred tax		(469,456)	(361,686)
		<u>(469,456)</u>	<u>(361,686)</u>
Net assets		<u>12,938,672</u>	<u>11,632,405</u>
Capital and reserves			
Called up share capital		32,000	32,000
Profit and loss account		12,906,672	11,600,405
		<u>12,938,672</u>	<u>11,632,405</u>

M R ELLIS (TIMBER) LIMITED
REGISTERED NUMBER: 01169327

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

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
31 August 2023.

M R Ellis
Director

M. R. Ellis

E M Ellis
Director

E. M. Ellis

The notes on pages 3 to 10 form part of these financial statements.

M R ELLIS (TIMBER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 turnover 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

Turnover 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 turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- 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 Statement of income and retained earnings on a straight-line basis over the lease term.

M R ELLIS (TIMBER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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 the Statement of income and retained earnings using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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 the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

M R ELLIS (TIMBER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 the Statement of income and retained earnings 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 reporting 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.

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.

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.

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 profit or loss during the period in which they are incurred.

M R ELLIS (TIMBER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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 and 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 in profit or loss.

2.11 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 Statement of income and retained earnings.

2.12 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.

2.13 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.

2.14 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.

M R ELLIS (TIMBER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.15 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 reporting 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.

2.16 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.

3. Employees

The average monthly number of employees, including directors, during the year was 34 (2022 - 32).

M R ELLIS (TIMBER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2022	1,908,478	7,242,883	9,151,361
Additions	-	701,845	701,845
Disposals	-	(129,106)	(129,106)
At 31 March 2023	<u>1,908,478</u>	<u>7,815,622</u>	<u>9,724,100</u>
Depreciation			
At 1 April 2022	580,537	6,631,467	7,212,004
Charge for the year on owned assets	37,280	239,148	276,428
Disposals	-	(117,523)	(117,523)
At 31 March 2023	<u>617,817</u>	<u>6,753,092</u>	<u>7,370,909</u>
Net book value			
At 31 March 2023	<u>1,290,661</u>	<u>1,062,530</u>	<u>2,353,191</u>
At 31 March 2022	<u>1,327,941</u>	<u>611,416</u>	<u>1,939,357</u>

Depreciation has not been charged on freehold land which is stated at a cost of £33,958 (2022 - £33,958).

5. Stocks

	2023 £	2022 £
Raw materials and consumables	114,366	423,360
Finished goods and goods for resale	1,042,820	483,282
	<u>1,157,186</u>	<u>906,642</u>

M R ELLIS (TIMBER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Debtors

	2023	2022
	£	£
Trade debtors	1,009,243	1,624,313
Amounts owed by group undertakings	3,399,385	3,393,935
Prepayments and accrued income	131,898	114,725
	4,540,526	5,132,973

7. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	6,215,517	5,243,020
	6,215,517	5,243,020

8. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	585,063	705,579
Corporation tax	114,904	181,225
Other taxation and social security	95,083	163,972
Other creditors	3,924	4,371
Accruals and deferred income	59,318	172,754
	858,292	1,227,901

M R ELLIS (TIMBER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. 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 scheme cost charge represents contributions payable by the company to the fund and amounted to £23,411 (2022 - 23,641). Contributions totaling £3,924 (2022 - £4,395) were payable to the fund at the balance sheet date.

10. 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 and M Ellis.