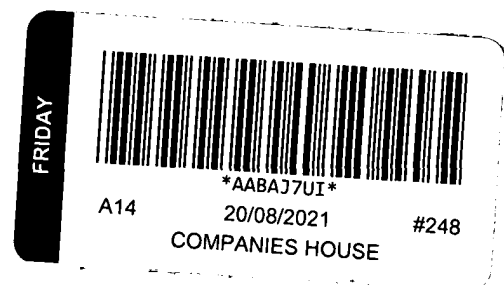


## Consolidated Timber Holdings Limited

### Annual report and financial statements

For the year ended 31 March 2021

Registered number: 02295212



## Company Information

<b>Directors</b>	J Boucher (appointed 2 July 2021) N J Cullen (appointed 2 July 2021) M P Corral (appointed 2 July 2021) A O Fischer (appointed 2 July 2021) D J Colman (resigned 2 July 2021) J D Gregory (resigned 2 July 2021) M J Laughlin S P Sabine A P Smith A J Tilbury
<b>Registered number</b>	02295212
<b>Registered office</b>	Clock House Station Approach Shepperton Middlesex TW17 8AN
<b>Independent auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Barclays Bank plc Floor 27 One Churchill Place London E14 5HP
<b>Solicitors</b>	Abrahams Dresden LLP 111 Charterhouse Street London EC1M 6AW

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## **Directors' report**

For the year ended 31 March 2021

The directors present their report together with the Strategic report and the financial statements of Consolidated Timber Holdings Limited ('the company') for the year ended 31 March 2021.

### **Directors**

The directors who served during the year were:

D J Colman (resigned 2 July 2021)

J D Gregory (resigned 2 July 2021)

M J Laughlin

S P Sabine

A P Smith

A J Tilbury

### **Impact of COVID-19**

The directors have considered the impact of the current COVID- 19 pandemic on the company's operations, with a particular focus on its effect on our suppliers and employees.

The company has adapted well, successfully employing contingency plans, including utilising government support schemes and we consider that the company has sufficient cash resources to continue for the foreseeable future, despite the current crisis. The directors do not consider this to be cause for material uncertainty in respect of the company's ability to continue as a going concern.

### **Donations**

During the period, the company made charitable donations of £10,000 (2020 - £385).

### **Streamlined Carbon Energy Reporting ('SECR') exemption**

The company, as a qualifying entity, has taken advantage of the exemption from including its SECR requirements in these financial statements. The company's UK greenhouse gas emissions and energy use data are included in the group SECR report of Consolidated Timber Holdings Group Limited.

### **Matters covered in the Strategic report**

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the Strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' report. It has done so in respect of discussion of future developments and the company's financial risk management policies and objectives.

## **Directors' report (continued)**

For the year ended 31 March 2021

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, 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 year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

### **Post balance sheet events**

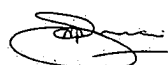
On 2 July 2021 the group was acquired by Jack Holdings Bidco Limited.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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



**A P Smith**  
Director

Date: 11/08/2021

## **Strategic report**

For the year ended 31 March 2021

### **Principal activity**

The company is an intermediate holding company, for businesses that are a specialist importer, distributor and manufacturer of timber and panel products, offering national coverage from eleven locations across the UK.

### **Business review**

The profit for the year, after taxation, amounted to £1,666,510 (2020 - loss of £985,790).

Given that the company is an intermediate holding company, the directors are of the opinion that the use of key performance indicators for the understanding of the performance of the business is not necessary.

During the year, the company declared a dividend of £249,860 (2020 - £161,049).

The directors are confident that the company continues to maintain its current function.

### **Future developments**

The company remains committed to enhancing and developing the group's product portfolio and service offering and will continue to look for opportunities to deliver further strategic expansion.

The directors are confident about the future prospects of the company and, accepting ongoing uncertainties linked to Coronavirus, expect given world market conditions to see improved financial performance in the group and therefore the company for year ending 31 March 2022.

On 2 July 2021 the group was acquired by Jack Holdings Bidco Limited which will assist the group to deliver its strategy.

### **Principal risks and uncertainties**

The company's subsidiaries operate in a competitive market, sourcing its raw materials globally. The management of the business and the execution of the group's strategy are subject to a number of risks.

#### *Covid preparedness*

COVID-19 has been an additional risk factor that none of us envisaged. We continue to monitor the progression of the outbreak of COVID-19 and Government response levels.

#### *Liquidity risk*

The company ensures that sufficient cash is available to fund its on-going operations and development. Borrowing facilities are provided through group-based overdrafts, receivables financing and stock based lending as appropriate. The facilities are regularly reviewed to ensure they exceed forecast debt levels. The company is dependent on the subsidiary companies' profitability and their ability to pay management fees and dividends.

#### *Credit risk*

The company's maximum exposure to credit risk is represented by intercompany receivables. The company has no significant concentration of credit risk and credit insurance is obtained to limit exposure.

### **Financial instruments**

The principal financial instruments of the company comprise bank and other borrowings, debtors, creditors and amounts owed to/from group and related companies. The main purpose of these instruments is to raise funds for the company's operations.

## Strategic report (continued)

For the year ended 31 March 2021

### Directors' statement of compliance with duty to promote the success of the company

As directors, we are aware of our duty under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its shareholders as a whole, and to have regard to the long-term effect of our decisions on the group and its other stakeholders. In seeking to achieve this, we have regard to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees / our colleagues;
- the need to build great relationships with suppliers, customers and others;
- the impact of our operations on the community and the environment; and
- our desire to maintain a reputation for the highest standards in the way we conduct our business.

The success of the company's businesses is dependent on the support of all of our stakeholders - our shareholders, our colleagues, our customers and suppliers and the local community. Building good positive relationships with stakeholders that share our values is important to us and working together with them towards shared goals assist us in delivering long-term sustainable success.

As a customer focused, innovative and forward-thinking company we make strategic decisions based on long-term objectives.

As a company we have established Corporate Governance policies to prevent slavery and human trafficking, bribery and anti-corruption and promote ethical standards of business competition.

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



**A P Smith**  
Director

Date: 11/08/2021

## **Independent auditor's report to the members of Consolidated Timber Holdings Limited**

For the year ended 31 March 2021

### **Opinion**

We have audited the financial statements of Consolidated Timber Holdings Limited (the 'company') for the year ended 31 March 2021, which comprise the Income statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 March 2021 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.

### **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 United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



## **Independent auditor's report to the members of Consolidated Timber Holdings Limited (continued)**

For the year ended 31 March 2021

### **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.

### **Opinion 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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 Strategic report or the Directors' report.

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.

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 2, 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.

## **Independent auditor's report to the members of Consolidated Timber Holdings Limited (continued)**

For the year ended 31 March 2021

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual and suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with directors and other management at the planning stage;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations;
- we considered the impact of COVID-19 on the company and its internal controls;
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including Companies Act 2006, employment legislation, and taxation legislation; and
- we considered the impact of Brexit on the company and the laws and regulations above.

We assessed the extent of compliance with laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims;
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations; and
- corroborating our inquiries through our review of board minutes.

To address the risk of fraud through management bias and override of controls, we:

- identified and assessed the design effectiveness of the controls management has in place to prevent and detect fraud;
- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process, taking into account the impact of COVID-19 on controls during the period;
- reviewed journal entries throughout the period to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- identified and challenged assumptions and judgements made by management in its significant accounting estimates; and
- carried out substantive testing, including random samples, to check the occurrence and cut-off of expenditure.

## **Independent auditor's report to the members of Consolidated Timber Holdings Limited (continued)**

For the year ended 31 March 2021

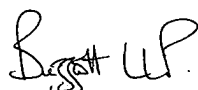
### **Auditor's responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence if any.

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](http://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.



Mark Worsey (Senior statutory auditor)

for and on behalf of

**Buzzacott LLP**

Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date: 11 August 2021

## Income statement

For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	2,528,410	1,932,778
<b>Gross profit</b>		<b>2,528,410</b>	<b>1,932,778</b>
Administrative expenses		(3,578,694)	(3,543,305)
Other operating income	5	30,895	-
Exceptional costs of pension scheme buy-out	17	(2,878,500)	-
<b>Operating loss</b>	6	<b>(3,897,889)</b>	<b>(1,610,527)</b>
Income from shares in group undertakings		5,370,472	1,128,049
Interest payable and similar expenses	9	(291,725)	(503,312)
<b>Profit/(loss) before tax</b>		<b>1,180,858</b>	<b>(985,790)</b>
Tax on profit/(loss)	10	494,677	-
<b>Profit/(loss) for the financial year</b>		<b>1,675,535</b>	<b>(985,790)</b>

The notes on pages 13 to 28 form part of these financial statements.

## Statement of comprehensive income

For the year ended 31 March 2021

	2021 £	2020 £
Profit/(loss) for the financial year	<b>1,675,535</b>	(985,790)
<b>Other comprehensive income</b>		
Actuarial gain on pension scheme	-	816,500
Residual deficit released on buy out of the scheme	<b>288,000</b>	-
Movement on deferred tax relating to pension gains	<b>(138,550)</b>	(228,395)
<b>Other comprehensive income for the year</b>	<b>149,450</b>	588,105
<b>Total comprehensive income for the year</b>	<b>1,824,985</b>	(397,685)

The notes on pages 13 to 28 form part of these financial statements.

## Statement of financial position

As at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	18,345	28,208
Investments	13	9,788,038	9,788,038
		<u>9,806,383</u>	<u>9,816,246</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	15,946,910	14,233,620
Cash at bank and in hand		35	119
		<u>15,946,945</u>	<u>14,233,739</u>
Creditors: amounts falling due within one year	15	(20,152,148)	(19,208,930)
<b>Net current liabilities</b>		<u>(4,205,203)</u>	<u>(4,975,191)</u>
<b>Total assets less current liabilities</b>		<u>5,601,180</u>	<u>4,841,055</u>
Pension deficit provision	17	-	(815,000)
<b>Net assets</b>		<u><u>5,601,180</u></u>	<u><u>4,026,055</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	809,858	809,858
Share premium account	19	673,293	673,293
Capital redemption reserve	19	1,244,000	1,244,000
Profit and loss account	19	2,874,029	1,298,904
		<u><u>5,601,180</u></u>	<u><u>4,026,055</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 08/11/2021



**A P Smith**  
Director

The notes on pages 13 to 28 form part of these financial statements.

## Statement of changes in equity

For the year ended 31 March 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	<b>809,858</b>	<b>673,293</b>	<b>1,244,000</b>	<b>1,857,638</b>	<b>4,584,789</b>
Loss for the year	-	-	-	(985,790)	(985,790)
Actuarial gains on pension scheme after tax	-	-	-	588,105	588,105
Dividends: Equity capital	-	-	-	(161,049)	(161,049)
<b>At 1 April 2020</b>	<b>809,858</b>	<b>673,293</b>	<b>1,244,000</b>	<b>1,298,904</b>	<b>4,026,055</b>
Profit for the year	-	-	-	1,675,535	1,675,535
Release of pension deficit provision after tax	-	-	-	149,450	149,450
Dividends: Equity capital	-	-	-	(249,860)	(249,860)
<b>At 31 March 2021</b>	<b>809,858</b>	<b>673,293</b>	<b>1,244,000</b>	<b>2,874,029</b>	<b>5,601,180</b>

The notes on pages 13 to 28 form part of these financial statements.

## Notes to the financial statements

For the year ended 31 March 2021

### 1. General information

Consolidated Timber Holdings Limited is a private company limited by shares and is incorporated in England and Wales. The registered office is Clock House, Station Approach, Shepperton, TW17 8AN. The registered number is 02295212.

### 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, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') 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).

Consolidated financial statements have not been prepared as the company is a wholly owned subsidiary and the results of the company are consolidated in the financial statements of the ultimate parent undertaking. These financial statements present information about the company as an individual undertaking.

#### 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 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 11.42, 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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Consolidated Timber Holdings Group Limited as at 31 March 2021 and these financial statements may be obtained from the company's registered office.

The following principal accounting policies have been applied:

#### 2.3 Going concern

The directors have considered the impact of the current COVID-19 pandemic on the company's operations, with a particular focus on its effect on its suppliers and employees.

The directors do not consider this to be cause for material uncertainty in respect of the company's abilities to continue as a going concern. The company has adapted well, successfully employing contingency plans, and the directors consider that the company has sufficient cash resources to continue for the foreseeable future, despite the current crisis. Therefore the financial statements have been prepared on the going concern basis.



## Notes to the financial statements

For the year ended 31 March 2021

### 2. Accounting policies (continued)

#### 2.4 Turnover

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.

##### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised in profit or loss on a straight line basis over the lease period.

#### 2.6 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.

#### 2.7 Pensions

##### Defined contribution pension plans

The company operates defined contribution plans for certain 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.

##### Defined benefit pension plan

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration.

The liability recognised as a provision in the Statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Accounting policies (continued)

#### 2.7 Pensions (continued)

sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gains on pension scheme'.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'interest payable and similar expenses'.

#### 2.8 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 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.

#### 2.9 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.

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Accounting policies (continued)

#### 2.9 Tangible fixed assets (continued)

Depreciation 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:

Fixtures, fittings and equipment	- 25% - 33%
Leasehold improvements	- Over the period of the lease

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.

#### 2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.11 Government grants

Grants received in respect of the Coronavirus Job Retention Scheme are recognised on an accruals basis as other income, in the same period as the related staff costs.

#### 2.12 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.

#### 2.13 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.

## Notes to the financial statements

For the year ended 31 March 2021

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

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

#### Provisions and liabilities

Provisions are liabilities of uncertain timing or amount. The directors consider whether there is certainty regarding the timing and amount of items classified as provisions.

In the year, the company agreed to fund a buy out of the defined benefit pension scheme. This crystallised the company's obligation to the pension scheme and determined the timing and amount payable to the pension scheme. The company considered these factors in deciding to recognise the amount payable to the pension scheme as a liability rather than as a provision. As a result the related costs of funding the buy out of the defined benefit pension scheme have been recognised in profit or loss.

### 4. Turnover

The whole of the turnover is attributable to group management charges.

	2021 £	2020 £
United Kingdom	<u>2,528,410</u>	<u>1,932,778</u>

All turnover arose within the United Kingdom.

### 5. Other operating income

	2021 £	2020 £
Coronavirus Job Retention Scheme	<u>30,895</u>	<u>-</u>

At 31 March 2021, amounts receivable in relation to the Coronavirus Job Retention Scheme were £nil (2020: £nil).

## Notes to the financial statements

For the year ended 31 March 2021

### 6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Fees payable to the company's auditor for:		
- The audit of the company's annual financial statements	5,950	12,625
Other operating lease rentals	188,502	259,001
Defined benefit pension scheme buy out (note 17)	2,878,500	-
Advisory fees relating to the pension scheme buy out	254,445	-
	<u>2,457,049</u>	<u>2,424,340</u>

The group financial statements of Consolidated Timber Holdings Group Limited are required to give details of the amounts receivable by the auditor in respect of other (non-audit) services.

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	2,145,721	2,163,716
Social security costs	246,875	189,942
Cost of defined contribution scheme	64,453	70,682
	<u>2,457,049</u>	<u>2,424,340</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Employees	168	154

The majority of the company's contracted employees work for subsidiary companies. The average monthly number of employees, including the directors, that worked for the company during the year was 23 (2020 - 23).

## Notes to the financial statements

For the year ended 31 March 2021

### 8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	1,301,402	1,739,083
Company contributions to defined contribution pension schemes	30,000	40,000
	<u>1,331,402</u>	<u>1,779,083</u>

During the year retirement benefits were accruing to 3 directors (2020 -3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £275,706 (2020 -£405,593).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 -£NIL).

### 9. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	248,725	460,312
Other interest payable	43,000	43,000
	<u>291,725</u>	<u>503,312</u>

### 10. Taxation

	2021 £	2020 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(494,677)	-
<b>Total deferred tax</b>	<u>(494,677)</u>	<u>-</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>(494,677)</u>	<u>-</u>

## Notes to the financial statements

For the year ended 31 March 2021

### 10. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<b>1,180,858</b>	(985,790)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 -19%)	<b>224,363</b>	(187,300)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>1,872</b>	2,442
Capital allowances for year in excess of depreciation	<b>110</b>	3,046
Short term timing difference leading to an increase (decrease) in taxation	<b>(122,315)</b>	18,330
Dividends from UK companies	<b>(1,020,390)</b>	(214,329)
Group relief	<b>421,683</b>	556,364
Other permanent differences	-	(178,553)
<b>Total tax charge for the year</b>	<b>(494,677)</b>	-

#### Factors that may affect future tax charges

On 3 March 2021 the government announced its intention to increase the corporation tax rate from 1 April 2023. This rate will taper from 19% for businesses for profits of less than £50,000 to 25% for businesses with profits over £250,000. This was enacted when the finance bill passed the House of Commons in June 2021.

The deferred taxes at the reporting date reflected in these financial statements have been measured at the tax rate that was substantively enacted at 31 March 2021 that was expected to apply to the reversal of the timing difference.

### 11. Dividends

	2021 £	2020 £
Ordinary dividends paid	<b>249,860</b>	161,049

## Notes to the financial statements

For the year ended 31 March 2021

### 12. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	60,727	65,283	126,010
Additions	-	7,535	7,535
At 31 March 2021	60,727	72,818	133,545
<b>Depreciation</b>			
At 1 April 2020	57,027	40,775	97,802
Charge for the year	2,467	14,931	17,398
At 31 March 2021	59,494	55,706	115,200
<b>Net book value</b>			
At 31 March 2021	1,233	17,112	18,345
At 31 March 2020	3,700	24,508	28,208



**Notes to the financial statements**

For the year ended 31 March 2021

**13. Fixed asset investments**

	Investments in subsidiary companies £	Investments in associates £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	9,788,038	300,000	10,088,038
At 31 March 2021	9,788,038	300,000	10,088,038
<b>Impairment</b>			
At 1 April 2020	-	300,000	300,000
At 31 March 2021	-	300,000	300,000
<b>Net book value</b>			
At 31 March 2021	9,788,038	-	9,788,038
At 31 March 2020	9,788,038	-	9,788,038

**Direct subsidiary undertakings**

The following were direct subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
MBM Forest Products Limited	Timber trading company	Ordinary	100%
Compass Forest Products Limited	Timber trading company	Ordinary	100%
Hoffman Thornwood Limited	Timber trading company	Ordinary	100%
Strebord Limited	Dormant	Ordinary	100%
MBM Speciality Forest Products Limited	Timber trading company	Ordinary	100%
Meridian Wood Products Limited	Property investment company	Ordinary	100%
Triesse Group Limited	Holding company	Ordinary	100%

## Notes to the financial statements

For the year ended 31 March 2021

### 13. Fixed asset investments (continued)

#### Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Falcon Panel Products Limited	Panel products distributor	Ordinary	100%
Triesse Holdings Limited	Property investment company	Ordinary	100%
Triesse Limited	Timber trading company	Ordinary	100%
Triesse (Trisan) Limited	Dormant	Ordinary	100%

The registered office of Compass Forest Products Limited, Falcon Panel Products Limited, MBM Forest Products Limited, MBM Speciality Forest Products Limited, Meridian Wood Products Limited, Hoffman Thornwood and Strebord Limited, is Clock House, Station Approach, Shepperton, Middlesex, TW17 8AN.

The registered office of Triesse Group Limited, Triesse Holdings Limited, Triesse Limited and Triesse (Trisan) Limited is Lancaster Close, Sherburn Enterprise Park, Sherburn In Elmet, Leeds, West Yorkshire, LS25 6NS.

### 14. Debtors

	2021 £	2020 £
Trade debtors	257,538	237,047
Amounts owed by group undertakings	15,124,513	13,157,079
Other debtors	58,632	699,248
Prepayments and accrued income	11,550	1,696
Deferred taxation	494,677	138,550
	<b>15,946,910</b>	<b>14,233,620</b>

### 15. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	491,086	2,573,450
Trade creditors	88,789	36,372
Amounts owed to group undertakings	15,286,848	15,715,363
Other taxation and social security	1,122,094	678,917
Other creditors	2,584,915	71,841
Accruals and deferred income	578,416	132,987
	<b>20,152,148</b>	<b>19,208,930</b>

## Notes to the financial statements

For the year ended 31 March 2021

### 16. Deferred taxation

	2021 £	2020 £
At beginning of year	138,550	366,945
Charged to profit or loss	494,677	-
(Credited) to other comprehensive income	(138,550)	(228,395)
<b>At end of year</b>	<b>494,677</b>	<b>138,550</b>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	4,000	-
Pension deficit	-	138,550
Short term timing differences	490,677	-
	<b>494,677</b>	<b>138,550</b>

## Notes to the financial statements

For the year ended 31 March 2021

### 17. Pension schemes

The company operates a number of pension schemes. The assets of all pension schemes are held in separate trustee administered funds and held separately from those of the company.

#### *Defined benefit scheme*

The company operated a funded defined benefit pension scheme (the Consolidated Timber Holdings Limited Pension Scheme) for certain full time employees.

In the year ended 31 March 2021, the company agreed to fund a buy out of the defined benefit pension scheme. The cost of the buy out, excluding related professional fees, was £2,878,500 and this has been charged to profit or loss for the year.

	2021 £	2020 £
Deficit in the scheme as at 1 April 2020	(815,000)	(2,158,500)
Movements in the year		
- Contributions paid	570,000	570,000
- Other finance cost	(43,000)	(43,000)
- Remeasurement of net defined benefit liability	288,000	816,500
	<u>-</u>	<u>(815,000)</u>

#### *Defined contribution schemes*

The company also operates defined contribution pension schemes for a number of employees. The pension cost of contributions to these schemes was £39,453 (2020 - £70,682).

### 18. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
806,000 (2020 -806,000) Ordinary shares of £0.95 each	765,700	765,700
46,482 (2020 -46,482) Ordinary A shares of £0.95 each	44,158	44,158
	<u>809,858</u>	<u>809,858</u>

## Notes to the financial statements

For the year ended 31 March 2021

### 19. Reserves

Share premium account - includes all amounts above the nominal value received for shares sold, less transaction costs.

Revaluation reserve - the surplus arising on the valuation of investment property less related deferred tax provisions.

Capital redemption reserve - records the nominal value of shares repurchased by the company.

Other reserve - records the cumulative amount of negative goodwill. This will be credited to the profit and loss account on subsequent disposal of the subsidiaries.

Profit and loss account - includes all current and prior period retained profits and losses.

## Notes to the financial statements

For the year ended 31 March 2021

### 20. Contingent liabilities

A first fixed charge over certain book debts and a floating charge over certain other rights and assets have been given as security to BNP Paribas Commercial Finance Limited. These charges do not extend to the debts, rights and assets of Triesse Group Limited and its subsidiary companies.

An unlimited multilateral company guarantee has been given by the company to BNP Paribas Commercial Finance Limited, jointly with Compass Forest Products Limited, Falcon Panel Products Limited, MBM Forest Products Limited, MBM Speciality Forest Products Limited, Meridian Wood Products Limited and Hoffman Thornwood Limited to secure all lending facilities. At 31 March 2021, the amount guaranteed by the company under this arrangement was £14,096,668 (2020 - £12,114,532). This guarantee does not include Triesse Group Limited and its subsidiary companies.

A fixed charge has been given in favour of Barclays Bank plc over all rights, title and interest of the company in or arising out of an agreement with BNP Paribas Commercial Finance Limited and all book debts and other debts subject to such agreement. Additionally, a fixed and floating charge over all other assets has been given to Barclays Bank plc. At 31 March 2021, the amount guaranteed under this arrangement was £nil (2020 - £641,718).

A guarantee has been given by the company to Barclays Bank plc, jointly with Consolidated Timber Holdings Group Limited, Compass Forest Products Limited, Falcon Panel Products Limited, MBM Forest Products Limited and MBM Speciality Forest Products Limited and Hoffman Thornwood Limited to cover a loan given to Meridian Wood Products Limited to develop a property. At 31 March 2021, the amount guaranteed under this arrangement was £3,937,450 (2020 - £4,287,500).

On 2 July 2021, the group was acquired by Jack Holdings Bidco Limited and the group was refinanced as a result.

The above securities to BNP Paribas Commercial Finance Limited and Barclays Bank plc were satisfied and new security was entered into with PNC Business Credit.

The group entities noted below have entered a debenture on 2 July 2021 containing fixed and floating charges over all of the assets of each group company in favour of PNC Business Credit.

Within the master facilities agreement dated 2 July 2021, there are joint and several cross guarantees provided by each group company noted below to of PNC Business Credit in respect of the group's obligations under the PNC Business Credit documents (noting that these guarantees are based on the Loan Market Association form).

Jack Holdings Midco Limited	MBM Speciality Forest Products Limited
Jack Holdings Bidco Limited	Hoffman Thornwood Limited
Consolidated Timber Holdings Group Limited	Triesse Group Limited
Consolidated Timber Holdings Limited	Meridian Wood Products Limited
Compass Forest Products Limited	Triesse Holdings Limited
Falcon Panel Products Limited	Triesse Limited
MBM Forest Products Limited	

The total amount of due under the above security and guarantee amounted to £36,695,000 at 2 July 2021.

## Notes to the financial statements

For the year ended 31 March 2021

### 21. Commitments under operating leases

At 31 March 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
<b>Land and buildings</b>		
Not later than 1 year	65,000	65,000
Later than 1 year and not later than 5 years	65,000	130,000
	<u>130,000</u>	<u>195,000</u>

	2021 £	2020 £
<b>Others</b>		
Not later than 1 year	350,023	190,126
Later than 1 year and not later than 5 years	429,401	229,685
	<u>779,424</u>	<u>419,811</u>

### 22. Controlling party

The immediate and ultimate parent company is Consolidated Timber Holdings Group Limited ('CTHG').

CTHG is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are prepared.

Copies of the group financial statements may be obtained from:

Consolidated Timber Holdings Group Limited  
Clock House  
Station Approach  
Shepperton  
Middlesex  
TW17 8AN

There is no ultimate controlling party of CTHG.

On 2 July 2021, the group was acquired by Jack Holdings Bidco Limited. From 2 July 2021, the company's immediate parent is unchanged and the ultimate parent is Jack Holdings Bidco Limited. There is still no ultimate controlling party.