

Registered number
01420514

ECSEC Limited
Report and Accounts
28 February 2013

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ECSEC Limited
Report and accounts
Contents

| | Page |
|-------------------------|-------------|
| Directors' report | 1 |
| Accountants' report | 2 |
| Profit and loss account | 3 |
| Balance sheet | 4 |
| Notes to the accounts | 5 |

ECSEC Limited

Registered number: 01420514

Directors' Report

The directors present their report and accounts for the year ended 28 February 2013

Principal activities

The company's principal activity during the year continued to be interior fitting, refurbishment and maintenance of restaurant, bar and shop premises

Directors

The following persons served as directors during the year

Brian R Trundle

Christopher J Farthing

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime

This report was approved by the board on 13 September 2013 and signed on its behalf

A handwritten signature in black ink, appearing to be 'CJF', written over a circular stamp or seal.

Christopher J Farthing
Director

ECSEC Limited
Accountants' Report

Accountants' report to the directors of
ECSEC Limited

You consider that the company is exempt from an audit for the year ended 28 February 2013. You have acknowledged, on the balance sheet, your responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts. These responsibilities include preparing accounts that give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit or loss for the financial year.

In accordance with your instructions, we have prepared the accounts which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records of the company and on the basis of information and explanations you have given to us.

We have not carried out an audit or any other review, and consequently we do not express any opinion on these accounts.

Anthony N Bristow MA FCA
Chartered Accountant

38 Balderton Lane
Coddington
Newark
NG24 2QE

13 September 2013

ECSEC Limited
Profit and Loss Account
for the year ended 28 February 2013

| | Notes | 2013 £ | 2012 £ |
|--|--------------|-------------------------|-------------------------|
| Turnover | | 6,519,258 | 6,161,647 |
| Cost of sales | | (5,139,966) | (5,007,693) |
| Gross profit | | <u>1,379,292</u> | <u>1,153,954</u> |
| Exceptional item | 3 | (170,000) | - |
| Administrative expenses | | (1,067,684) | (1,026,669) |
| Other operating income | | 19,000 | 35,083 |
| Operating profit | 2 | <u>160,608</u> | <u>162,368</u> |
| Interest receivable | | 5,271 | 4,713 |
| Interest payable | 4 | (9,539) | (4,118) |
| Profit on ordinary activities before taxation | | <u>156,340</u> | <u>162,963</u> |
| Tax on profit on ordinary activities | 5 | (83,747) | (43,974) |
| Profit for the financial year | | <u>72,593</u> | <u>118,989</u> |

ECSEC Limited
Balance Sheet
as at 28 February 2013

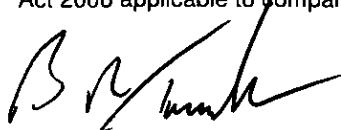
| | Notes | 2013 £ | 2012 £ |
|---|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 6 | 196,282 | 108,037 |
| Current assets | | | |
| Stocks | | 40,540 | 28,309 |
| Debtors | 7 | 950,479 | 1,208,034 |
| Cash at bank and in hand | | 483,487 | 582,148 |
| | | <u>1,474,506</u> | <u>1,818,491</u> |
| Creditors: amounts falling due within one year | 8 | (1,015,909) | (1,224,275) |
| Net current assets | | <u>458,597</u> | <u>594,216</u> |
| Total assets less current liabilities | | <u>654,879</u> | <u>702,253</u> |
| Creditors amounts falling due after more than one year | 9 | (53,893) | (29,860) |
| Net assets | | <u>600,986</u> | <u>672,393</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 256,272 | 256,272 |
| Share premium | 12 | 15,000 | 15,000 |
| Capital redemption reserve | 13 | 253,927 | 253,927 |
| Profit and loss account | 14 | 75,787 | 147,194 |
| Shareholder's funds | | <u>600,986</u> | <u>672,393</u> |

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006

The member has not required the company to obtain an audit in accordance with section 476 of the Act

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

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime



Brian R Trundle
Director

Approved by the board on 13 September 2013

ECSEC Limited
Notes to the Accounts
for the year ended 28 February 2013

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover represents income earned on contracts, excluding value added tax, which is recognised when the company obtains the right to consideration

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives

| | |
|---------------------|-----------------------------|
| Short leasehold | 3 years straight line |
| Plant and machinery | Various rates straight line |
| Motor vehicles | 3 to 4 years straight line |

Stocks and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value. Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable accuracy. The profit included is calculated on a prudent basis to reflect the proportion of work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of the work carried out to date. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Foreign currencies

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

ECSEC Limited
Notes to the Accounts
for the year ended 28 February 2013

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

Employee Benefit Trusts

The company has established trusts for the benefit of employees and certain of their dependents. Monies held in trusts are held by independent trustees and managed at their discretion. Where the company retains future economic benefit from, and has de facto control of, the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that the assets of the trust vest in identified individuals. Where monies held in a trust are determined by the company on the basis of the employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

| | | |
|---|-------------|-------------|
| 2 Operating profit | 2013 | 2012 |
| | £ | £ |
| This is stated after charging | | |
| Depreciation of owned fixed assets | 34,637 | 15,312 |
| Depreciation of assets held under finance leases and hire purchase contracts | 36,917 | 34,678 |
| Directors' remuneration | 326,248 | 328,183 |
| Pension costs | 82,359 | 90,402 |
| | <hr/> | <hr/> |
| Number of directors to whom benefits accrued under money purchase pension schemes | 2 | 2 |
| | <hr/> | <hr/> |
| 3 Exceptional item | 2013 | 2012 |
| | £ | £ |
| The exceptional item arises following the expected settlement of a dispute with HMRC concerning Employee Benefit Trusts and covers taxes on payroll, interest and other costs | 170,000 | - |
| | <hr/> | <hr/> |

ECSEC Limited
Notes to the Accounts
for the year ended 28 February 2013

| 4 Interest payable | 2013 | 2012 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| Hire purchase and finance leases | <u>9,539</u> | <u>4,118</u> |

| 5 Taxation | 2013 | 2012 |
|--------------------|---------------|---------------|
| | £ | £ |
| UK corporation tax | 83,747 | 47,611 |
| Deferred tax | - | (3,637) |
| | <u>83,747</u> | <u>43,974</u> |

The corporation tax due on the profits for the year was reduced by £33,255 in respect of group relief

6 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Motor vehicles | Total |
|-----------------------|-------------------------------|--|---------------------------|----------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 March 2012 | 1,820 | 134,149 | 116,399 | 252,368 |
| Additions | 28,482 | 12,411 | 178,784 | 219,677 |
| Disposals | - | - | (115,279) | (115,279) |
| At 28 February 2013 | <u>30,302</u> | <u>146,560</u> | <u>179,904</u> | <u>356,766</u> |
| Depreciation | | | | |
| At 1 March 2012 | 1,820 | 107,686 | 34,825 | 144,331 |
| Charge for the year | 4,746 | 19,415 | 47,393 | 71,554 |
| On disposals | - | - | (55,401) | (55,401) |
| At 28 February 2013 | <u>6,566</u> | <u>127,101</u> | <u>26,817</u> | <u>160,484</u> |
| Net book value | | | | |
| At 28 February 2013 | <u>23,736</u> | <u>19,459</u> | <u>153,087</u> | <u>196,282</u> |
| At 29 February 2012 | <u>-</u> | <u>26,463</u> | <u>81,574</u> | <u>108,037</u> |

| | 2013 | 2012 |
|--|----------------|---------------|
| | £ | £ |
| Net book value of plant, machinery and vehicles included above held under finance leases and hire purchase contracts | <u>126,738</u> | <u>89,435</u> |

ECSEC Limited
Notes to the Accounts
for the year ended 28 February 2013

| | | | | |
|---|----------------------|--------------------|-------------|-------------|
| 7 Debtors | 2013 | 2012 | | |
| | £ | £ | | |
| Trade debtors | 273,994 | 348,723 | | |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 336,842 | 154,722 | | |
| Amounts recoverable on contracts | 296,683 | 654,962 | | |
| Other debtors | 42,960 | 49,627 | | |
| | <u>950,479</u> | <u>1,208,034</u> | | |
| 8 Creditors amounts falling due within one year | 2013 | 2012 | | |
| | £ | £ | | |
| Obligations under finance lease and hire purchase contracts | 30,256 | 41,736 | | |
| Trade creditors | 510,559 | 607,341 | | |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 5,509 | 676 | | |
| Corporation tax | 50,492 | 47,611 | | |
| Other taxes and social security costs | 225,243 | 104,516 | | |
| Other creditors | 193,850 | 422,395 | | |
| | <u>1,015,909</u> | <u>1,224,275</u> | | |
| 9 Creditors amounts falling due after one year | 2013 | 2012 | | |
| | £ | £ | | |
| Obligations under finance lease and hire purchase contracts | <u>53,893</u> | <u>29,860</u> | | |
| 10 Provisions for liabilities | | | | |
| Deferred taxation | 2013 | 2012 | | |
| | £ | £ | | |
| | <u>-</u> | <u>-</u> | | |
| | 2013 | 2012 | | |
| | £ | £ | | |
| At 1 March | - | 3,637 | | |
| Deferred tax charge in profit and loss account | - | (3,637) | | |
| | <u>-</u> | <u>-</u> | | |
| At 28 February | <u>-</u> | <u>-</u> | | |
| 11 Share capital | Nominal value | 2013 Number | 2013 | 2012 |
| | | | £ | £ |
| Allotted, called up and fully paid | | | | |
| Ordinary shares of £1 each | £1 each | 256,272 | 256,272 | 256,272 |

ECSEC Limited
Notes to the Accounts
for the year ended 28 February 2013

| | | |
|--|----------------|----------------|
| 12 Share premium | 2013 | |
| | £ | |
| At 1 March 2012 | 15,000 | |
| At 28 February 2013 | <u>15,000</u> | |
| 13 Capital redemption reserve | 2013 | |
| | £ | |
| At 1 March 2012 | 253,927 | |
| At 28 February 2013 | <u>253,927</u> | |
| 14 Profit and loss account | 2013 | |
| | £ | |
| At 1 March 2012 | 147,194 | |
| Profit for the year | 72,593 | |
| Dividends | (144,000) | |
| At 28 February 2013 | <u>75,787</u> | |
| 15 Dividends | 2013 | 2012 |
| | £ | £ |
| Dividends for which the company became liable during the year | | |
| Dividends paid | <u>144,000</u> | <u>100,000</u> |
| 16 Other financial commitments | 2013 | 2012 |
| | £ | £ |
| At the year end the company had annual commitments under non cancellable operating leases as set out below | | |
| Operating leases which expire within two to five years | <u>18,000</u> | <u>18,000</u> |
| 17 Ultimate controlling party | | |

The ultimate holding company is ECSEC Holdings Limited, a company incorporated in England and Wales. In the opinion of the directors there is no controlling party.

ECSEC Limited
Notes to the Accounts
for the year ended 28 February 2013

18 Transactions with directors

During the year ended 28 February 2011 the company loaned the sum of £30,000 to BR Trundle, a director of the company. The balance outstanding at 28th February 2012 was £20,500. The loan was fully repaid in May 2012.

19 Related party disclosures

Details of transactions with the parent company and fellow subsidiary companies during the year ended 28 February 2013 are as follows:

| | ECSEC Holdings Limited | ECSEC Maintenance Limited | BCC Mechanical Services Limited | Fusion Conferences Limited |
|-------------------------------|------------------------------|---------------------------------|--|----------------------------------|
| <u>Transactions in year</u> | | | | |
| Sales invoiced | | | | |
| Admin expenses recharged | | | 28,202 | 217,965 |
| Cost of sales recharged | | | 3,264 | |
| Cost of sales | | | 5,783 | |
| Group tax relief payment | | | | 33,255 |
| <u>Balances at year-end</u> | | | | |
| Debtors due within one year | | | 153,690 | 184,034 |
| Creditors due within one year | 5,007 | 55,686 | | |

Of the amount owed by ECSEC Maintenance Limited, £55,686 is considered by the directors to be irrecoverable, and a bad debt provision was been made in the previous financial year.