

Registration number 2639956

**ECS (Nottingham) Limited**  
**Directors' report and financial statements**  
**for the year ended 31 August 2015**

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## **ECS (Nottingham) Limited**

### **Company information**

Directors	N Fletcher Mrs S E Fletcher
Secretary	Mrs S E Fletcher
Company number	2639956
Registered office	Unit 17 Hazelford Way Industrial Estate Newstead Nottinghamshire NG15 0DQ
Auditors	Iliffe Poulter Ltd 1A Bonington Road Mapperley Nottingham NG3 5JR
Business address	Unit 17 Hazelford Way Newstead Industrial Estate Nottinghamshire NG15 0DQ
Bankers	Natwest 138-142 Holborn Waterhouse Square London EC1N 2TH

## **ECS (Nottingham) Limited**

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## **ECS (Nottingham) Limited**

### **Directors' report for the year ended 31 August 2015**

The directors present their report and the financial statements for the year ended 31 August 2015.

#### **Principal activity and review of the business**

The principal activity of the company is supplying printing chemicals and varnishes.

#### **Results and dividends**

The Profit for the year, after taxation, amounted to £141,602. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

#### **Financial risk management objectives and policies**

ECS (Nottingham) Limited's principle financial liabilities comprise bank overdrafts, invoice discounting, and hire purchase debt. The main purpose of these financial instruments is to manage the company's funding and liquidity requirements. The company has other financial assets and liabilities such as trade debtors, trade creditors, cash and short term deposits that arise directly from its operations.

The risk management policy of ECS (Nottingham) Limited is to adopt good practices in the identification, evaluation and cost effective control of risks to ensure that risks are either,

- i) avoided,
- ii) reduced to an acceptable level, or
- iii) managed and contained.

The board evaluates its proper functioning on a regular basis and continues to pursue further improvement and optimisation of the internal risk management and control procedures. In addition to its risk management framework, ECS (Nottingham) Limited also actively manages market risk, interest rate risk, foreign currency risk, credit risk, and liquidity risk as part of its treasury policy.

#### **Market Risk**

The market price of Brent oil per barrel has an impact on the cost at which certain oil based products can be purchased. ECS (Nottingham) Limited reviews the market value on a weekly basis so that any increase or decrease is factored into the purchase and selling of products.

#### **Interest Rate Risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. ECS (Nottingham) Limited's exposure to the risk of change in market interest rates relate primarily to short term borrowing. The amount of short term borrowing can be reduced by releasing funds from deposits to mitigate the impact of any rate increase.

#### **Foreign Currency Risk**

In addition to Sterling, ECS (Nottingham) Limited deals in the Euro, US Dollar, and the Australian Dollar. As a result, operating profit and total cash flow in Sterling will be affected by movements in exchange rates. The impact of movements in exchange rates is mitigated significantly by the management of deposits held in those particular currencies. The forward purchase of a currency for an agreed price is used to reduce the exchange rate risk. We will only hedge if we believe there will be a significant change in market conditions and always with our risk position in mind.

## **ECS (Nottingham) Limited**

### **Directors' report for the year ended 31 August 2015**

..... continued

#### **Credit Risk**

ECS (Nottingham) Limited's is exposed to credit risk due to a counterparty not meeting its obligations under a customer contract, leading to financial loss. Credit risk is managed by the use of a credit risk company. All credit limits are set at an appropriate level based on the company's current credit risk. The board review counterparty credit limits on a monthly basis and update them accordingly dependent on the current market conditions and credit score. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

#### **Liquidity Risk**

Liquidity risk is the risk that ECS (Nottingham) Limited will not be able to meet its current financial obligations. The company manages liquidity risk by maintaining access to a number of sources of funding, which are sufficient to meet anticipated funding requirements. Bank facilities and cash resources are used to meet short term liquidity. All long term liabilities are to be met by future income streams. The board reviews the company's ongoing liquidity requirements on a monthly basis as part of the planning process.

#### **Directors**

The directors who served during the year are as stated below:

N Fletcher

Mrs S E Fletcher

#### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 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 enable him 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.

**ECS (Nottingham) Limited**

**Directors' report  
for the year ended 31 August 2015**

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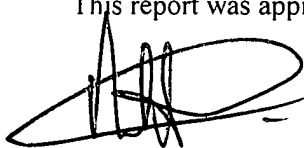
Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditors**

Iliffe Poulter Ltd are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 19 November 2015 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'N Fletcher', with a large, sweeping loop at the end.

**N Fletcher  
Director**

## **Independent auditor's report to the shareholders of ECS (Nottingham) Limited**

We have audited the financial statements of ECS (Nottingham) Limited for the year ended 31 August 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 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.

### **Opinion on other matter prescribed by the Companies Act 2006.**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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.

**Independent auditor's report to the shareholders of  
ECS (Nottingham) Limited**

.....continued



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**T J Iliffe (senior statutory auditor)**  
**For and on behalf of Iliffe Poulter Ltd**  
**Chartered Accountants and**  
**Registered Auditor**  
**19 November 2015**

**1A Bonington Road**  
**Mapperley**  
**Nottingham**  
**NG3 5JR**



**ECS (Nottingham) Limited**

**Profit and loss account  
for the year ended 31 August 2015**

		<b>Continuing operations</b>	
		<b>2015</b>	<b>2014</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	7,956,851	8,636,427
Cost of sales		(6,349,612)	(6,952,485)
<b>Gross profit</b>		1,607,239	1,683,942
Administrative expenses		(1,381,013)	(1,551,238)
<b>Operating profit</b>	<b>3</b>	226,226	132,704
Other interest receivable and similar income	<b>5</b>	140	-
Interest payable and similar charges	<b>6</b>	(18,526)	(25,212)
<b>Profit on ordinary activities before taxation</b>		207,840	107,492
Tax on profit on ordinary activities	<b>8</b>	(66,238)	8,353
<b>Profit for the year</b>	<b>19</b>	141,602	115,845
Retained profit brought forward		279,576	185,730
Reserve Movements		(29,000)	(22,000)
<b>Retained profit carried forward</b>		392,178	279,575

There are no recognised gains or losses other than the profit or loss for the above two financial years.

**The notes on pages 9 to 19 form an integral part of these financial statements.**

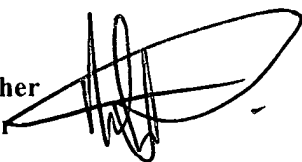
# ECS (Nottingham) Limited

## Balance sheet as at 31 August 2015

		2015		2014	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		-		288,130
Tangible assets	11		379,238		240,569
			<u>379,238</u>		<u>528,699</u>
<b>Current assets</b>					
Stocks	12	406,330		376,221	
Debtors	13	2,249,439		2,431,557	
Cash at bank and in hand		<u>211,108</u>		<u>1,021,796</u>	
		2,866,877		3,829,574	
<b>Creditors: amounts falling due within one year</b>	14	<u>(2,646,512)</u>		<u>(4,071,454)</u>	
<b>Net current assets/(liabilities)</b>			<u>220,365</u>		<u>(241,880)</u>
<b>Total assets less current liabilities</b>			599,603		286,819
<b>Creditors: amounts falling due after more than one year</b>	15		(31,092)		(13,624)
<b>Provisions for liabilities</b>	16		<u>(44,703)</u>		<u>6,480</u>
<b>Net assets</b>			<u>523,808</u>		<u>279,675</u>
<b>Capital and reserves</b>					
Called up share capital	18		100		100
Revaluation reserve	19		131,530		-
Profit and loss account	19		<u>392,178</u>		<u>279,575</u>
<b>Shareholders' funds</b>	20		<u>523,808</u>		<u>279,675</u>

These accounts were approved by the directors on 19 November 2015, and are signed on their behalf by:

N Fletcher  
Director



Registration number 2639956

The notes on pages 9 to 19 form an integral part of these financial statements.

# ECS (Nottingham) Limited

## Cash flow statement for the year ended 31 August 2015

	Notes	2015 £	2014 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		226,226	132,704
Depreciation		320,248	192,636
(Increase) in stocks		(30,109)	18,344
Decrease in debtors		179,495	131,165
(Decrease) in creditors		(123,022)	(917,615)
<b>Net cash inflow from operating activities</b>		<u>572,838</u>	<u>(442,766)</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		572,838	(442,766)
Returns on investments and servicing of finance	23	(18,386)	(25,212)
Taxation	23	1,507	-
Capital expenditure	23	21,293	(54,099)
		<u>577,252</u>	<u>(522,077)</u>
Equity dividends paid		(29,000)	(22,000)
<b>Increase in cash in the year</b>		<u>548,252</u>	<u>(544,077)</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 24)</b>			
<b>Increase in cash in the year</b>		548,252	(544,077)
New finance leases and hire purchase contracts		(15,078)	41,587
<b>Movement in net funds in the year</b>		<u>533,174</u>	<u>(502,490)</u>
<b>Net debt at 1 September 2014</b>		(900,145)	(397,655)
<b>Net debt at 31 August 2015</b>		<u>(366,971)</u>	<u>(900,145)</u>

## **ECS (Nottingham) Limited**

### **Notes to the financial statements for the year ended 31 August 2015**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board.

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.3. Royalties**

Prepaid future royalties and their associated legal expenses are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life which takes into account the following;

- 1) the continued use of these formulae, and
- 2) the development of the companies own systems for producing alternative products.

The directors have carried out a impairment review and believe that no additional income is expected to derive from the use of the royalties. They have written off the remainder in this financial year.

##### **1.4. Tangible fixed assets**

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	15% Striaht Line
Fixtures, fittings and equipment	-	10% Straight Line
Motor vehicles	-	15% Straight Line

## **ECS (Nottingham) Limited**

### **Notes to the financial statements for the year ended 31 August 2015**

..... continued

#### **1.5. 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 constant periodic rates of charge on the net obligations outstanding in each period.

#### **1.6. Stock**

Stock is valued at the lower of cost and net realisable value.

#### **1.7. Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **1.8. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

# ECS (Nottingham) Limited

## Notes to the financial statements for the year ended 31 August 2015

..... continued

### 2. Turnover

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

	2015	2014
	£	£
<b>Class of business</b>		
United Kingdom	5,473,946	5,583,736
Europe	993,443	1,017,156
Rest of the world	1,467,031	1,986,748
	<u>7,934,420</u>	<u>8,587,640</u>

### 3. Operating profit

Operating profit is stated after charging:

	2015	2014
	£	£
Depreciation and other amounts written off intangible assets	288,130	132,984
Depreciation and other amounts written off tangible assets	18,277	59,585
Loss on disposal of tangible fixed assets	13,841	67
Auditors' remuneration (Note 4)	<u>7,875</u>	<u>7,875</u>
and after crediting:		
Net foreign exchange gain	<u>170,714</u>	<u>(68,907)</u>

### 4. Auditors' remuneration

	2015	2014
	£	£
Auditors' remuneration - audit of the financial statements	7,875	7,875

### 5. Interest receivable and similar income

	2015	2014
	£	£
Bank interest	<u>140</u>	<u>-</u>

### 6. Interest payable and similar charges

	2015	2014
	£	£
Interest payable on loans < 1 yr	14,451	21,312
Hire purchase interest	4,075	3,900
	<u>18,526</u>	<u>25,212</u>

# **ECS (Nottingham) Limited**

## **Notes to the financial statements for the year ended 31 August 2015**

..... continued

### **7. Employees**

<b>Number of employees</b>	<b>2015</b>	<b>2014</b>
The average monthly numbers of employees (including the directors) during the year were:		
Monthly	13	14
Weekly	16	17
	<u>29</u>	<u>31</u>

<b>Employment costs</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries	508,432	562,452
Social security costs	45,099	60,581
	<u>553,531</u>	<u>623,033</u>

<b>7.1. Directors' remuneration</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	37,000	33,750
Compensation for loss of office	3,200	-
	<u>40,200</u>	<u>33,750</u>

**ECS (Nottingham) Limited**

**Notes to the financial statements  
for the year ended 31 August 2015**

..... continued

**8. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	12,432	1,116
Adjustments in respect of previous periods	2,623	-
	<u>15,055</u>	<u>1,116</u>
Total current tax charge	<u>15,055</u>	<u>1,116</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	51,183	(9,469)
Total deferred tax	<u>51,183</u>	<u>(9,469)</u>
Tax on profit on ordinary activities	<u>66,238</u>	<u>(8,353)</u>

**9. Dividends**

<b>Dividends paid and proposed on equity shares</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Paid during the year:		
Equity dividends on Ordinary shares	29,000	22,000
	<u>29,000</u>	<u>22,000</u>



# **ECS (Nottingham) Limited**

## **Notes to the financial statements for the year ended 31 August 2015**

..... continued

### **10. Intangible fixed assets**

	<b>Patents</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 September 2014	664,917	664,917
At 31 August 2015	664,917	664,917
<b>Amortisation</b>		
At 1 September 2014	376,787	376,787
Charge for year	288,130	288,130
At 31 August 2015	664,917	664,917
<b>Net book values</b>		
At 31 August 2015	-	-
At 31 August 2014	288,130	288,130

Royalties include the sum of £525,000 paid to another company operating in a similar market sector for the use of certain formulae and the associated legal costs of £144,917 to confirm the use of those formulae.

**ECS (Nottingham) Limited**

**Notes to the financial statements  
for the year ended 31 August 2015**

..... continued

<b>11. Tangible fixed assets</b>	<b>Short leasehold property £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 September 2014	50,908	283,015	200,417	180,140	714,480
Additions	-	-	6,424	81,478	87,902
Revaluation	-	14,567	(16,612)	(34,582)	(36,627)
Disposals	-	(82,732)	(169,854)	(110,563)	(363,149)
At 31 August 2015	<u>50,908</u>	<u>214,850</u>	<u>20,375</u>	<u>116,473</u>	<u>402,606</u>
<b>Depreciation</b>					
At 1 September 2014	5,091	246,527	142,080	80,213	473,911
Revaluation	-	(163,971)	(17,522)	(32,136)	(213,629)
On disposals	-	(82,556)	(124,558)	(48,077)	(255,191)
Charge for the year	5,091	-	964	12,222	18,277
At 31 August 2015	<u>10,182</u>	<u>-</u>	<u>964</u>	<u>12,222</u>	<u>23,368</u>
<b>Net book values</b>					
At 31 August 2015	<u>40,726</u>	<u>214,850</u>	<u>19,411</u>	<u>104,251</u>	<u>379,238</u>
At 31 August 2014	<u>45,817</u>	<u>36,488</u>	<u>58,337</u>	<u>99,927</u>	<u>240,569</u>

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

<b>Asset description</b>	<b>2015</b>		<b>2014</b>	
	<b>Net</b>	<b>Depreciation</b>	<b>Net</b>	<b>Depreciation</b>
	<b>book value</b>	<b>charge</b>	<b>book value</b>	<b>charge</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Motor vehicles	<u>79,719</u>	<u>12,222</u>	<u>76,178</u>	<u>18,115</u>
<b>12. Stocks</b>			<b>2015</b>	<b>2014</b>
			<b>£</b>	<b>£</b>
Raw materials and consumables			<u>406,330</u>	<u>376,221</u>

**ECS (Nottingham) Limited**

**Notes to the financial statements  
for the year ended 31 August 2015**

..... continued

<b>13. Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,188,268	2,325,706
Amount owed by connected companies	(3,001)	26,206
Other debtors	36,222	54,383
Prepayments and accrued income	27,950	25,262
	<u>2,249,439</u>	<u>2,431,557</u>
	<u>2,249,439</u>	<u>2,431,557</u>
 <b>14. Creditors: amounts falling due within one year</b>	 <b>2015</b>	 <b>2014</b>
	<b>£</b>	<b>£</b>
Bank overdraft	569,417	1,880,263
Net obligations under finance leases and hire purchase contracts	25,662	28,052
Trade creditors	1,852,443	1,987,966
Corporation tax	12,432	1,116
Other taxes and social security costs	16,577	11,591
Directors' accounts	688	299
Other creditors	156,171	150,200
Accruals and deferred income	13,122	11,967
	<u>2,646,512</u>	<u>4,071,454</u>
	<u>2,646,512</u>	<u>4,071,454</u>
 <b>15. Creditors: amounts falling due after more than one year</b>	 <b>2015</b>	 <b>2014</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	<u>31,092</u>	<u>13,624</u>
	<u>31,092</u>	<u>13,624</u>

**ECS (Nottingham) Limited**

**Notes to the financial statements  
for the year ended 31 August 2015**

..... continued

**16. Provisions for liabilities**

	<b>Deferred taxation (Note 17) £</b>	<b>Total £</b>
At 1 September 2014	(6,480)	(6,480)
Movements in the year	51,183	51,183
At 31 August 2015	<u>44,703</u>	<u>44,703</u>

**17. Provision for deferred taxation**

	<b>2015 £</b>	<b>2014 £</b>
Accelerated capital allowances	44,703	(6,480)
Provision for deferred tax	<u>44,703</u>	<u>(6,480)</u>
Provision at 1 September 2014	(6,480)	
Deferred tax charge in profit and loss account	51,183	
Provision at 31 August 2015	<u>44,703</u>	

**18. Share capital**

	<b>2015 £</b>	<b>2014 £</b>
<b>Authorised</b>		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>
<b>Equity Shares</b>		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>

# **ECS (Nottingham) Limited**

## **Notes to the financial statements for the year ended 31 August 2015**

..... continued

<b>19. Equity Reserves</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 1 September 2014</b>	-	279,576	279,576
Profit for the year		141,602	141,602
Other movements	131,530	-	131,530
Equity Dividends		(29,000)	(29,000)
<b>At 31 August 2015</b>	<u>131,530</u>	<u>392,178</u>	<u>523,708</u>

<b>20. Reconciliation of movements in shareholders' funds</b>	<b>2015 £</b>	<b>2014 £</b>
Profit for the year	141,602	115,845
Dividends	(29,000)	(22,000)
	<u>112,602</u>	<u>93,845</u>
Other recognised gains or losses	131,530	-
Net addition to shareholders' funds	244,132	93,845
Opening shareholders' funds	279,676	185,831
Closing shareholders' funds	<u>523,808</u>	<u>279,676</u>

### **21. Related party transactions**

ECS (Nottingham) Limited is owed £0 (2014 £28,404) by ECS Oceania, £10,224 (2014 £10,224) by ECS Deutschland, £0 (2014 £804) by H & H Graphic Supplies Limited, and £370,358 (2014 £298,972) by ECS North America. All amounts are interest free and repayable on demand. Mr N Fletcher is a shareholder in all four companies.

### **22. Controlling interest**

The controlling interest is held by N Fletcher by virtue of his 99% holding in the ordinary share capital.

**ECS (Nottingham) Limited**

**Notes to the financial statements  
for the year ended 31 August 2015**

..... continued

**23. Gross cash flows**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	140	-
Interest paid	(18,526)	(25,212)
	<u>(18,386)</u>	<u>(25,212)</u>
<b>Taxation</b>		
Corporation tax paid	(1,116)	-
Corporation tax repaid	2,623	-
	<u>1,507</u>	<u>-</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(72,824)	(55,099)
Receipts from sales of tangible assets	94,117	1,000
	<u>21,293</u>	<u>(54,099)</u>

**24. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,021,796	(810,688)		211,108
Overdrafts	(1,880,263)	1,310,846		(569,417)
	<u>(858,467)</u>	<u>500,158</u>		<u>(358,309)</u>
Finance leases and hire purchase contracts	(41,676)	-	(15,078)	(56,754)
<b>Net funds</b>	<u>(900,143)</u>	<u>500,158</u>	<u>(15,078)</u>	<u>(415,063)</u>

**ECS (Nottingham) Limited**

**The following pages do not form part of the statutory accounts.**

# ECS (Nottingham) Limited

## Detailed trading profit and loss account for the year ended 31 August 2015

	2015		2014	
	£	£	£	£
<b>Sales</b>				
Sales		7,934,420		8,587,640
Other income		22,431		48,787
		<u>7,956,851</u>		<u>8,636,427</u>
<b>Cost of sales</b>				
Opening stock	376,221		394,565	
Purchases	5,967,594		6,506,172	
Distribution costs	408,592		422,900	
Carriage inwards	<u>3,535</u>		<u>5,069</u>	
	6,755,942		7,328,706	
Closing stock	<u>(406,330)</u>		<u>(376,221)</u>	
		<u>(6,349,612)</u>		<u>(6,952,485)</u>
<b>Gross profit</b>	20%	1,607,239	19%	1,683,942
<b>Administrative expenses</b>	1,381,013		1,551,238	
		<u>(1,381,013)</u>		<u>(1,551,238)</u>
		226,226		132,704
<b>Operating profit</b>	3%	226,226	2%	132,704
<b>Other income and expenses</b>				
<b>Interest receivable</b>				
Bank deposit interest	<u>140</u>		<u>-</u>	
		140		-
<b>Interest payable</b>				
Bank interest	11,598		18,341	
Interest on loans repayable in less than 5 years	2,853		2,971	
HP interest and fin. lease charges	<u>4,075</u>		<u>3,900</u>	
		<u>(18,526)</u>		<u>(25,212)</u>
<b>Net profit for the year</b>		<u><u>207,840</u></u>		<u><u>107,492</u></u>



# ECS (Nottingham) Limited

## Administrative expenses for the year ended 31 August 2015

	2015	2014
	£	£
<b>Administrative expenses</b>		
Wages and salaries	468,232	528,702
Directors' remuneration	37,000	33,750
Employer's NI contributions	45,099	60,581
Compensation for loss of office	3,200	-
Training Costs	1,062	500
Commissions payable	38,298	32,507
Rent payable	55,576	51,542
Rates	26,008	25,732
Protective Clothing	803	2,256
Insurance	67,429	43,945
Light and heat	15,580	21,707
Cleaning	32,478	24,211
Repairs and maintenance	29,635	26,647
Printing, postage and stationery	13,113	9,875
Advertising	509	848
Telephone	16,210	16,237
Computer costs	4,814	6,525
Hire of equipment	45,439	61,196
Motor expenses	127,030	179,399
Travelling	49,385	58,386
Entertaining	17,564	17,108
Legal and professional	16,955	16,076
Consultancy fees	1,941	2,653
Accountancy	184	2,116
Audit	7,875	7,875
Factoring charges	41,695	38,529
Bank charges	12,906	9,320
Bad debts	49,237	3,587
Profit/loss on foreign currency borrowings less de	(170,714)	68,907
Canteen	2,751	2,867
General expenses	512	1,628
Charitable donations - covenanted	20	-
Subscriptions	2,939	3,390
Depreciation on intangible assets	288,130	132,984
Amortisation on short leasehold	5,091	5,091
Depreciation on plant and machinery	-	15,117
Depreciation on FF & Equipment	964	12,356
Depreciation on motor vehicles	12,222	27,021
Profits/losses on disp of tangibles	13,841	67
	<u>1,381,013</u>	<u>1,551,238</u>