

**ECS GLOBAL EUROPE LIMITED
NAME CHANGED FROM CHEMWARE SYSTEMS LIMITED**

**FILLETED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2017**

ECS GLOBAL EUROPE LIMITED FORMERLY KNOWN AS CHEMWARE SYSTEMS LIMITED
REGISTERED NUMBER: 02808613

STATEMENT OF FINANCIAL POSITION
AS AT 29 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	857,634	-
Tangible assets	5	2,358	-
		<u>859,992</u>	<u>-</u>
Current assets			
Debtors: amounts falling due after more than one year	6	226,157	143,361
Debtors: amounts falling due within one year	6	573,416	-
Cash at bank and in hand	7	7,611	-
		<u>807,184</u>	<u>143,361</u>
Creditors: amounts falling due within one year	8	(424,380)	(9,781)
Net current assets		<u>382,804</u>	<u>133,580</u>
Total assets less current liabilities		<u>1,242,796</u>	<u>133,580</u>
Creditors: amounts falling due after more than one year	9	(516,977)	-
Deferred income		(390,130)	-
Net assets excluding pension asset		<u>335,689</u>	<u>133,580</u>
Net assets		<u><u>335,689</u></u>	<u><u>133,580</u></u>
Capital and reserves			
Called up share capital		2,000	2,000
Share premium account		11,520	11,520
Other reserves		445,860	445,860
Profit and loss account		(123,691)	(325,800)
		<u>335,689</u>	<u>133,580</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 29 MARCH 2017

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J Herron

Director

Date: 20 December 2017

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2017

1. General information

ECS Global Europe Limited is a private limited company incorporated in England.

Registered Office:

Devonshire Business Centre

Works Road

Letchworth Garden City

Hertfordshire

SG6 1GJ

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue 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 revenue 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.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2017

2. Accounting policies (continued)

2.4 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.

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 and fittings	- 7 years straight line
Office equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2017

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

2.10 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2017**

2. Accounting policies (continued)

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 the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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.

2.14 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2017

3. Employees

The average monthly number of employees, including directors, during the year was 10 (2016 - 0).

4. Intangible assets

	Develop-ment £
Cost	
Additions	1,073,309
At 29 March 2017	1,073,309
Amortisation	
Charge for the year	215,675
At 29 March 2017	215,675
Net book value	
At 29 March 2017	857,634
At 29 March 2016	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2017

5. **Tangible fixed assets**

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
Additions	1,713	1,703	3,416
At 29 March 2017	1,713	1,703	3,416
Depreciation			
Charge for the year on owned assets	572	486	1,058
At 29 March 2017	572	486	1,058
Net book value			
At 29 March 2017	1,141	1,217	2,358
At 29 March 2016	-	-	-

6. **Debtors**

	2017 £	2016 £
Due after more than one year		
Amounts owed by group undertakings	75,791	143,361
Other debtors	150,366	-
	226,157	143,361
Due within one year		
Trade debtors	305,701	-
Other debtors	24,170	-
Prepayments and accrued income	211,621	-
Deferred taxation	31,924	-
	573,416	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2017

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	7,611	-
	<u>7,611</u>	<u>-</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	69,584	-
Other taxation and social security	165,525	8,281
Other creditors	128,781	-
Accruals and deferred income	60,490	1,500
	<u>424,380</u>	<u>9,781</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	516,977	-
	<u>516,977</u>	<u>-</u>

10. Deferred taxation

	2017 £
Charged to profit or loss	31,924
At end of year	<u>31,924</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2017

10. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2017 £
Tax losses carried forward	31,924
	<u>31,924</u>

11. Accruals and deferred income

	2017 £	2016 £
1 to 2 years	(390,130)	-
	<u>(390,130)</u>	<u>-</u>

12. Related party transactions

Episys Ltd is a fellow subsidiary. At the year end, ECS Global Europe Ltd owed £516,977 to Episys Ltd (2016 Episys Limited owed ECS Global Europe Ltd £143,360).

13. Controlling party

The company is a 100% subsidiary of Episys Group Limited.

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.