

EFA (TRADING) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Registered number 05351436

WEDNESDAY



A7HP7VZD

A23

31/10/2018

#446

COMPANIES HOUSE

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

TABLE OF CONTENTS

Directors and advisers for the year ended 31 March 2018.....	2
Directors' report for the year ended 31 March 2018.....	3
Report of the Independent auditor to the members of EFA (Trading) Limited	6
Profit and Loss Account for the year ended 31 March 2018	8
Balance Sheet as at 31 March 2018.....	9
Statement of cash flows for the year ended 31 March 2018	10
Notes to the financial statements for the year ended 31 March 2018	11

Directors and advisers for the year ended 31 March 2018

Directors:

Adam Eckley (Resigned 31 Mar 2018)
Mark Stagg (Resigned 1 May 2018)
Councillor John Knapman (Resigned 14 June 2017)
Councillor Robert Massey (Appointed 14 June 2017
and Resigned 14 Sept 2017)
Councillor Giancarlo Guglielmi (Resigned 14 June 2017)
Councillor Ann Holland (Resigned 14 Sept 2017)
Councillor Michael Danvers (Resigned 14 June 2017)
Councillor Anne Turrell (Resigned 13 Sept 2017)
David Bill (Appointed 30 April 2018)
Matthew Furber (Appointed 13 August 2018)

Registered Number: 05351436

Registered Office: Kelvedon Park
London Road
Rivenhall
Witham
Essex
CM8 3HB

Independent Auditors:

Lambert Chapman LLP
Chartered Accountants and Registered Statutory Auditors
3 Warners Mill
Braintree
Essex
CM7 3GB

Bankers:

Lloyds Bank plc
City Office
Gillingham
Kent
ME8 0LS

EFA (Trading) Limited

Directors' report for the year ended 31 March 2018

The directors present this report and the audited financial statements of the company for the year ended 31 March 2018.

Principal activities

The principal activities of the company during the year were providing fire safety training, the provision of engineering services and the refurbishment and sale of fire appliances. The company is owned by Essex Police, Fire and Crime Commissioner Fire and Rescue Authority. The company operates using staff seconded to it by the Authority.

Business review and future developments

The engineering and training divisions have seen an increase in activity in both the sale of appliances and services provided which has contributed to an increase in overall turnover of 12% to £734,258 for the year under review.

The directors consider the result for the year and the year-end position to be satisfactory under the current trading conditions.

Results and dividends

The company's profit before taxation for the financial year was £43,402 (2017: £19,153). The directors do not recommend the payment of a dividend (2017: £nil).

Directors

The directors of the company who served during the year and up until the date of approval of the financial statements (unless otherwise stated) are as listed on page 2.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with those of Essex Police, Fire and Crime Commissioner Fire and Rescue Authority and are not managed separately. The Authority has an agreed formal risk management policy and framework that covers identification, mitigation, control, monitoring and review of risk on a regular basis.

Key performance indicators

Essex Police, Fire and Crime Commissioner Fire and Rescue Authority manages the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of EFA (Trading) Limited.

Donations

During the year, the company made no donation for charitable purposes to the Essex Community Foundation (2017: £40,000).

Financial risk management

The company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate cash flow risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The finance department of Essex County Fire and Rescue Service implements the policies set by the board of directors.

EFA (Trading) Limited

Directors' report for the year ended 31 March 2018 (continued)

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The company retains sufficient cash to ensure it has sufficient available funds for operations.

Interest rate cash flow risk

The company has interest bearing assets comprising cash balances, which earn interest at a floating rate.

The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- 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 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.

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent Essex Police, Fire and Crime Commissioner Fire and Rescue Authority. The directors have received confirmation that Essex Police, Fire and Crime Commissioner Fire and Rescue Authority intends to support the company for at least one year after these financial statements are signed.

EFA (Trading) Limited

Directors' report for the year ended 31 March 2018 (continued)

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006 the directors in office at the date of approval of the Directors' report confirm that:

- (a) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Re-appointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Lambert Chapman LLP as auditors of the company has been proposed by the member and agreed.

The report of the directors has been prepared taking advantage of the small companies' exemptions of section 415a of the Companies Act 2006.

On behalf of the Board



David Bill

17 October 2018

Independent Auditor's Report to the Members of EFA (Trading) Limited

Opinion

We have audited the financial statements of EFA (Trading) Limited (the 'company') for the year ended 31 March 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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 FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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 UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of EFA (Trading) Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

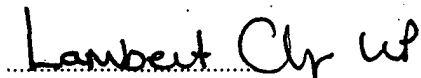
As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary 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.

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.

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. This description forms part of our auditor's report.



Lisa Greenwood FCCA (Senior Statutory Auditor)
For and on behalf of Lambert Chapman LLP, Statutory Auditor

3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB

Date: 22.10.18

EFA (Trading) Limited**Profit and Loss Account for the year ended 31 March 2018**

	Note	2018 £	2017 £
Turnover	2	734,258	655,297
Cost of Sales		(587,389)	(510,602)
Gross Profit		146,869	144,695
Payments under Gift Aid		-	(40,000)
Administrative Expenses		(101,460)	(82,104)
Operating Profit	3	45,409	22,591
Interest receivable and similar income		-	-
Interest payable and similar charges	5	(2,007)	(3,438)
Profit on ordinary activities before taxation		43,402	19,153
Tax on profit on ordinary activities	6	(8,246)	(3,831)
Profit for the financial year	13	35,156	15,322

All items dealt within the profit and loss account above relate to continuing operations.

There is no material difference between the profit for the financial years stated above and their historical cost equivalents.

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 11 to 19 form an integral part of these financial statements.

EFA (Trading) Limited**Balance Sheet as at 31 March 2018**

	Note	2018 £	2017 £
Current Assets			
Stocks	7	32,700	43,500
Debtors	8	76,883	13,315
Cash at bank and in hand		148,247	138,547
		257,830	195,362
Creditors: amounts falling due within one year	9	(143,596)	(42,284)
Net current assets		114,234	153,078
Creditors: amounts falling after more than one year	10	-	(74,000)
Provisions for liabilities and charges	11	-	-
Net assets		114,234	79,078

Capital and reserves

	Note	2018 £	2017 £
Called up share capital	12	94,100	94,100
Profit and loss account	13	20,134	(15,022)
Total shareholders' surplus	13	114,234	79,078

These 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 on pages 8 to 19 were approved by the board of directors on 17 October 2018 and were signed on its behalf by:



David Bill, Director

Registered Number 05351436

The notes on pages 11 to 19 form an integral part of these financial statements.

EFA (Trading) Limited**Statement of cash flows for the year ended 31 March 2018**

	Note	2018 £	2017 £
Net cash (outflow)/inflow from operating activities	14	19,953	(71,667)
Returns on investment and servicing of finance:			
Interest paid		(2,007)	(3,438)
Corporation tax (paid)/received		(8,246)	(3,831)
Additional Loan			
Net cash inflow (outflow) before financing	15	9,700	(78,936)
Increase (decrease) in cash	15	9,700	(78,936)

Notes to the financial statements for the year ended 31 March 2018

1A. Statutory information

EFA (Trading) Limited is a private company, limited by shares, domiciled in England and Wales, registered number 05351436. The registered office is Kelvedon Park, London Road, Rivenhall, Witham, Essex, CM8 3HB.

1B. Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and in accordance with the provisions of FRS 102 section 1A – small entities.

Basis of preparation

These financial statements have been prepared using the historical cost convention unless stated otherwise within the accounting policies shown.

Basis of preparation – going concern

The company made a profit before taxation of £43,402 (2017: £19,153) for the year under review and had net assets of £114,234 at 31 March 2018 (2017 net assets £79,078). The directors, therefore, believe that it is appropriate for the financial statements to be prepared on a going concern basis.

EFA (Trading) Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered stated net of VAT and trade discounts. The company recognises revenue when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods, the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity and when the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Current tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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.

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 tax rates that have been enacted or substantially enacted.

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 substantially enacted at the balance sheet date.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal. Where necessary, provision is made for obsolete, slow moving or defective stocks. Stocks include fire appliances held for resale.

Trade debtors

Trade debtors are amounts due from customers for goods and services sold during the ordinary course of business. Trade debtors are recognised initially at the transaction price and a provision for the impairment of trade debtors is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods and services that have been provided to the company in the ordinary course of business. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Loans and borrowings

Loans and borrowings are initially recorded at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using effective rate of interest method.

2. Turnover

The analysis of turnover by goods sold and services rendered is detailed below, net of value added tax.

	2018 £	2017 £
Sale of Goods and Services Rendered		
Engineering - Services	151,855	132,525
Training - Services	159,059	118,708
Engineering - Goods	420,516	401,919
Training - Goods	2,828	2,145
	734,258	655,297

The analysis of turnover by region is shown below, net of value added tax.

	2018 £	2017 £
Geographical analysis		
United Kingdom	346,652	458,429
EU Countries	190,388	70,943
Non EU Countries	197,218	125,925
	734,258	655,297

Notes to the financial statements for the year ended 31 March 2018 (continued)

3. Auditors' Remuneration

	2018 £	2017 £
Operating profit is stated after charging the following		
Auditors' remuneration		
- Audit Services	4,405	4,239
- Non audit services - tax compliance	545	535
Audit Cost Total	4,950	4,774

4. Employee information and directors' emoluments

The company does not have any employees other than the directors. Fees of £56,794 (2017: £70,963) were recharged by Essex County Fire and Rescue Service in respect of staff working on projects for the company. The directors did not receive any emoluments in their capacity as directors of the company.

As members of Essex Fire Authority the directors had each received an additional responsibility allowance of £1,064 (2017: £1,064) per annum and the Chairman received an allowance of £2,127 (2017: £2,127) per annum in connection with their services to the company until September 2017. These costs are no longer incurred since the change of governance to the Police, Fire and Crime Commissioner on 1 Oct 2017.

5. Interest payable and similar charges

	2018 £	2017 £
Interest payable to Essex Fire Authority	(2,007)	(3,432)
Interest payable to HMRC for late payment	-	(6)
Interest Payable Total	(2,007)	(3,438)

The loan from Essex Fire Authority has been fully repaid

Notes to the financial statements for the year ended 31 March 2018 (continued)

6. Tax on profit/(loss) on ordinary activities

	2018 £	2017 £
Current Tax:		
UK Corporation tax on profit of the year	8,246	3,831
Total current tax	8,246	3,831
Tax on profit on ordinary activities	8,246	3,831

	2018 £	2017 £
Profit on ordinary activities before taxation	43,402	19,153
UK corporation tax at 19%(2018) / 20%(2017)	8,246	3,831
Total current tax for the year	8,246	3,831

7. Stocks

	2018 £	2017 £
Finished goods and goods for resale	32,700	43,500

8. Debtors – amounts falling due within one year

	2018 £	2017 £
Trade debtors	59,521	12,947
Other Debtors	17,362	368
	76,883	13,315

9. Creditors – amounts falling due within one year

	2018	2017
	£	£
Trade creditors	870	-
Amounts owed to parent undertaking	81,625	22,144
Accruals and deferred income	52,855	10,531
Other tax and social security	-	5,778
Corporation tax	8,246	3,831
	143,596	42,284

Amounts owed to parent undertaking are unsecured, interest free and repayable on demand.

10. Creditors – amounts falling after more than one year

	2018	2017
	£	£
Amounts owed to parent undertaking	-	(74,000)

11. Provisions for liabilities

There are no provisions for liabilities in 2017/18.

Notes to the financial statements for the year ended 31 March 2018 (continued)

12. Called up share capital

	2018 £	2017 £
Authorised 100 ordinary shares of £1 each	94,100	94,100
Allotted, called up 100 ordinary shares of £1 each	94,100	94,100

13. Statement of changes in equity for the year ended 31 March 2018

	Called up share capital £	Profit and loss account £	Total £
At 1st April 2016	94,100	(30,345)	63,755
Profit for the financial year	-	15,322	15,322
At 31st March 2017	94,100	(15,022)	79,078
At 1st April 2017	94,100	(15,022)	79,078
Profit for the financial year	-	35,156	35,156
At 31st March 2018	94,100	20,134	114,234

14. Reconciliation of operating profit to net cash flow from operating activities

	2018 £	2017 £
Operating profit	45,409	22,591
Decrease in stock	10,800	15,090
(Increase)/decrease in debtors	(63,568)	9,257
Increase/(decrease) in creditors	27,312	(118,605)
Net cash inflow/(outflow) from operating activities	19,953	(71,667)

15. Reconciliation of net cash flow to movement in net cash

Note	2018 £	2017 £
Increase(decrease) in cash in the year	9,700	(78,936)
Net cash at 1st April 2017	138,547	217,483
Net cash at 31st March 2018	148,247	138,547

16. Analysis of changes in net debt

	At 1 April 2017 £	Cash flows £	Other non cash changes £	At 31 March 2018 £
Cash at bank and in hand.	138,547	9,700	-	148,247
Debts falling due after more than one year	(74,000)	74,000	-	-
	64,547	83,700	-	148,247

17. Related party transactions

During the year, gross costs incurred on behalf of the company and recharged by Essex Police, Fire and Crime Commissioner Fire and Rescue Authority amounted to £531,975 (2017: £452,808).

At year-end, £81,625 (2017: £96,144) was owed to Essex Police, Fire and Crime Commissioner Fire and Rescue Authority.

18. Ultimate controlling undertaking

In the directors' opinion, the ultimate controlling party is the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority, a United Kingdom statutory authority.