

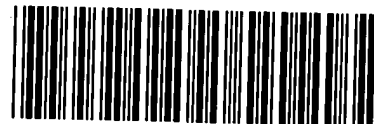
Registered number: 06725227

ESSEX EQUIPMENT SERVICES LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

THURSDAY



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ESSEX EQUIPMENT SERVICES LTD

COMPANY INFORMATION

Directors	K Lynch P J Martin
Company secretary	Essex Legal Services Limited
Registered number	06725227
Registered office	Seax House Victoria Road South Chelmsford Essex CM1 1QH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 80 Compair Crescent Ipswich Suffolk IP2 0EH

ESSEX EQUIPMENT SERVICES LTD

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ESSEX EQUIPMENT SERVICES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors

The directors who served during the year were:

K Lynch
P J Martin

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the group may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees. The entity is an equal opportunities employer.

Disclosure of information to auditor

The directors confirm that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

ESSEX EQUIPMENT SERVICES LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **14 AUGUST 2018** and signed on its behalf.



K Lynch
Director



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ESSEX EQUIPMENT SERVICES LTD

Opinion

We have audited the financial statements of Essex Equipment Services Ltd (the 'company') for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, Statement of Financial Position, the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

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.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ESSEX EQUIPMENT SERVICES LTD (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report set out on pages 1 to 2. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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.

Matter on which we are required to report by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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.



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ESSEX EQUIPMENT SERVICES LTD
(CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

Grant Thornton UK LLP

Timothy Taylor FCA (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Senior Statutory Auditor

Ipswich

Date: 22 AUGUST 2018

ESSEX EQUIPMENT SERVICES LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Administrative expenses		(1,740,270)	(1,802,675)
Other operating income	4	1,675,270	1,744,675
Operating loss		<u>(65,000)</u>	<u>(58,000)</u>
Other finance income	6	2,000	(5,000)
Loss before tax		<u>(63,000)</u>	<u>(63,000)</u>
Loss for the financial year		<u>(63,000)</u>	<u>(63,000)</u>
Other comprehensive income for the year			
Actuarial gains on defined benefit pension scheme		147,000	273,000
Other comprehensive income for the year		<u>147,000</u>	<u>273,000</u>
Total comprehensive income for the year		<u><u>84,000</u></u>	<u><u>210,000</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 8 to 16 form part of these financial statements.

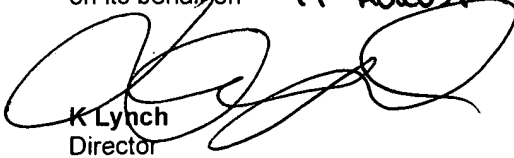
ESSEX EQUIPMENT SERVICES LTD
REGISTERED NUMBER:06725227

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	7	100	100
		<u>100</u>	<u>100</u>
Creditors: amounts falling due within one year	8	(67,837)	(67,837)
Net current liabilities		<u>(67,737)</u>	<u>(67,737)</u>
Total assets less current liabilities		<u>(67,737)</u>	<u>(67,737)</u>
Pension asset	11	158,000	74,000
Net assets		<u><u>90,263</u></u>	<u><u>6,263</u></u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	90,163	6,163
		<u><u>90,263</u></u>	<u><u>6,263</u></u>

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 were approved and authorised for issue by the board and were signed on its behalf on **14 AUGUST 2018**


K Lynch
 Director

The notes on pages 8 to 16 form part of these financial statements.

ESSEX EQUIPMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Essex Equipment Services Limited is a company incorporated in England. The registered office is Seax House, Victoria Road South, Chelmsford, Essex, CM1 1QH.

Company registered number: 06725227

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 financial statements are prepared in sterling which is the functional currency of the company and are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Essex Cares Limited as at 31 March 2018 and these financial statements may be obtained from Companies House.

2.3 Going concern

At the year end the company had net current liabilities of £67,737 (2017 - £67,737), inclusive of an amount totalling £67,837 (2017 - £67,837) owed to Essex Cares Limited. The directors of Essex Cares Limited have confirmed that they will not seek repayment of this debt for twelve months from the signing of these financial statements should such payment mean that the company cannot meet its liabilities as they fall due. In light of this, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.4 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.

ESSEX EQUIPMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.5 Financial instruments

The Company only enters into basic financial instrument 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.6 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.

ESSEX EQUIPMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.7 Pensions

Defined benefit pension plan

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

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

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

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

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

The cost of the defined benefit plan, recognised in the Statement of Comprehensive Income as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in Statement of Comprehensive Income as a 'finance expense'.

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

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

The company participates in the Essex Pension Fund which has a number of inputs into the valuation. Note 11 shows the assumptions used in arriving at the valuation disclosed. The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

ESSEX EQUIPMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. Other operating income

	2018 £	2017 £
Management charges receivable	<u>1,675,270</u>	<u>1,744,675</u>

5. Employees

The average monthly number of employees, including directors, during the year was 78 (2017 - 106).

During the year, no director received any emoluments (2017 - £NIL).

6. Other finance costs

	2018 £	2017 £
Net interest on net defined benefit scheme	<u>2,000</u>	<u>(5,000)</u>

7. Debtors

	2018 £	2017 £
Called up share capital not paid	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>67,837</u>	<u>67,837</u>

ESSEX EQUIPMENT SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Share capital

	2018	2017
	£	£
Allotted and called up.		
100 Ordinary shares of £1 each	100	100

Share capital represents the nominal value of equity shares. The shares have attached to them voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

10. Reserves

Profit & loss account

Includes all current and prior period profits and losses.

ESSEX EQUIPMENT SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Pension commitments

The Company participates in the Essex Pension Fund which is a Defined benefit pension scheme.

The assets of the scheme are held separately from those of the group and are administered by trustees. No other post-retirement benefits are provided. The scheme is a funded scheme. The assets and liabilities are recognised by each employer according to its individual employees.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using a weighted average rate of spot yields on AA corporate bonds.

The key FRS 102 assumptions used for the scheme are set out below along with details of amounts included within the accounts in respect of the pension scheme.

Reconciliation of present value of plan liabilities:

	2018 £	2017 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	5,334,000	3,912,000
Current service cost	88,000	97,000
Interest income	148,000	143,000
Actuarial gains/losses	-	1,132,000
Contributions	18,000	26,000
Benefits paid	(106,000)	(142,000)
Experience loss/(gain) on defined benefit obligation	-	193,000
Change in demographic assumptions	235,000	(27,000)
At the end of the year	5,717,000	5,334,000

Reconciliation of present value of plan assets:

	2018 £	2017 £
At the beginning of the year	5,611,000	3,776,000
Interest income	156,000	138,000
Return on assets less interest	249,000	594,000
Actuarial gains/losses	-	1,180,000
Contributions	43,000	67,000
Benefits paid	(106,000)	(142,000)
Administration expenses	(2,000)	(2,000)
At the end of the year	5,951,000	5,611,000

ESSEX EQUIPMENT SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Pension commitments (continued)

Composition of plan assets:

	2018 £	2017 £
Equities	3,884,000	3,833,000
Gilts	396,000	212,000
Other bonds	221,000	228,000
Property	564,000	546,000
Cash	205,000	169,000
Alternative assets	440,000	374,000
Other managed funds	241,000	249,000
Total plan assets	5,951,000	5,611,000

	2018 £	2017 £
Fair value of plan assets	5,951,000	5,611,000
Present value of plan liabilities	(5,717,000)	(5,334,000)
Impact of asset ceiling	(76,000)	(203,000)
Net pension scheme asset	158,000	74,000

The amounts recognised in profit or loss are as follows:

	2018 £	2017 £
Current service cost	(88,000)	(97,000)
Interest on obligation	2,000	(5,000)
Administration expense	(2,000)	(2,000)
Total	(88,000)	(104,000)

ESSEX EQUIPMENT SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Pension commitments (continued)

The Company expects to contribute £25,000 to its Defined benefit pension scheme in 2019.

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	2018	2017
	%	%
Discount rate	2.55	2.80
Future salary increases	3.05	3.10
Future pension increases	2.30	2.35
CPI Increases	3.30	2.40
RPI increases	2.30	3.40
Mortality rates		
- for a male aged 65 now	22.20	22.10
- at 65 for a male aged 45 now	24.40	24.30
- for a female aged 65 now	24.70	24.60
- at 65 for a female member aged 45 now	27.00	26.90

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2018	2017	2016	2015
	£	£	£	£
Defined benefit obligation	(5,717,000)	(5,334,000)	(3,912,000)	(4,330,000)
Scheme assets	5,951,000	5,611,000	3,776,000	4,086,000
Impact of asset ceiling	(76,000)	(203,000)	-	-
Surplus	158,000	74,000	(136,000)	(244,000)

ESSEX EQUIPMENT SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Ultimate controlling party and related party transactions

The company's immediate parent undertaking is Essex Cares Limited. The ultimate parent undertaking and controlling party is Essex County Council. Both parent undertakings produce consolidated financial statements which include the results of the company.

As a wholly owned subsidiary of Essex Cares Limited, the company is exempt from the requirements of FRS 102 to disclose transactions with other wholly owned members of the group.