

**Report of the Director and
Annual Report and Financial Statements
for the Year Ended 31 December 2022
for**

European Circuit Solutions Limited

Wem & Co
Chartered Accountants & Statutory Auditors
Savoy House
Savoy Circus
London
W3 7DA

European Circuit Solutions Limited

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European Circuit Solutions Limited

Company Information for the Year Ended 31 December 2022

Directors:

P Fay
J - Y Joseph
Brett Edward Isard

Company secretary:

M Green

Registered office:

Impress House
Mansell Road
Acton
London
W3 7QH

Registered number:

03152622

Auditors:

Wem & Co
Chartered Accountants & Statutory Auditors
Savoy House
Savoy Circus
London
W3 7DA

European Circuit Solutions Limited

Independent Auditor's Report to the Members of European Circuit Solutions Limited

Opinion

We have audited the financial statements of European Circuit Solutions Limited (the 'company') for the year ended 31 December 2022, which comprise the Balance Sheet, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the has been prepared in accordance with applicable legal requirements.

European Circuit Solutions Limited

Independent Auditor's Report to the Members of European Circuit Solutions Limited (continued)

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 .

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 [set out on page], 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

European Circuit Solutions Limited

Independent Auditor's Report to the Members of European Circuit Solutions Limited (continued)

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Officers and other management (as required by auditing standards).

- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related trade union legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Officers.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

.....
Alistair I Wem BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of Wem & Co, Statutory Auditor

Savoy House

Savoy Circus

London

W3 7DA

15 September 2023

European Circuit Solutions Limited
(Registration number: 03152622)
Balance Sheet as at 31 December 2022

	Note	31.12.22	31.12.21
		£	£
FIXED ASSETS			
Tangible assets	<u>5</u>	30,052	14,542
CURRENT ASSETS			
Stocks	6	741,807	568,618
Debtors	<u>7</u>	2,774,235	2,810,084
Cash at bank and in hand		<u>36,020</u>	<u>70,050</u>
		3,552,062	3,448,752
CREDITORS			
Creditors within 1yr	<u>8</u>	<u>305,681</u>	<u>283,007</u>
NET CURRENT ASSETS		<u>3,246,381</u>	<u>3,165,745</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,276,433	3,180,287
PROVISIONS FOR LIABILITIES		<u>(43,254)</u>	<u>(34,103)</u>
NET ASSETS		<u><u>3,233,179</u></u>	<u><u>3,146,184</u></u>
CAPITAL AND RESERVES			
Called up share capital		80,000	80,000
Profit and loss account		<u>3,153,179</u>	<u>3,066,184</u>
SHAREHOLDERS' FUNDS		<u><u>3,233,179</u></u>	<u><u>3,146,184</u></u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 25 September 2023 and signed on its behalf by:

.....
P Fay
Director

European Circuit Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1. General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Impress House
Mansell Road
Acton
London
W3 7QH

These financial statements were authorised for issue by the Board on 25 September 2023.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentational currency is Pound Sterling (£).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

European Circuit Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

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 taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% straight line basis
Fixtures and fittings	25% straight line basis
Motor vehicles	25% straight line basis
Computer equipment	33% straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

European Circuit Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3. Staff numbers

The average number of persons employed by the company (including directors) during the year, was 15 (2021 - 14).

European Circuit Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

4. Auditors' remuneration

	31.12.22 £	31.12.21 £
Audit of the financial statements	<u>9,000</u>	<u>9,000</u>

5. Tangible assets

	Fixtures and fittings £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2022	3,293	51,609	54,902
Additions	<u>4,251</u>	<u>16,921</u>	<u>21,172</u>
At 31 December 2022	<u>7,544</u>	<u>68,530</u>	<u>76,074</u>
Depreciation			
At 1 January 2022	3,232	37,128	40,360
Charge for the year	<u>170</u>	<u>5,492</u>	<u>5,662</u>
At 31 December 2022	<u>3,402</u>	<u>42,620</u>	<u>46,022</u>
Carrying amount			
At 31 December 2022	<u>4,142</u>	<u>25,910</u>	<u>30,052</u>
At 31 December 2021	<u>61</u>	<u>14,481</u>	<u>14,542</u>

6. Stocks

	31.12.2021 £	31.12.2020 £
Raw materials and consumables	698,867	483,937
Finished goods and goods for resale	<u>42,940</u>	<u>84,681</u>
	<u>741,807</u>	<u>568,618</u>

European Circuit Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7. Debtors

	Note	31.12.2021 £	31.12.2020 £
Trade debtors		435,339	155,617
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9	2,332,678	2,650,000
Prepayments		5,057	4,467
Other debtors		1,161	-
		<u>2,774,235</u>	<u>2,810,084</u>

8. Creditors

Creditors: amounts falling due within one year

	Note	31.12.2021 £	31.12.2020 £
Due within one year			
Loans and borrowings	10	85,316	-
Trade creditors		95,455	104,436
Taxation and social security		102,616	109,157
Accruals and deferred income		20,520	68,986
Other creditors		1,774	428
		<u>305,681</u>	<u>283,007</u>

9. Related party transactions

Summary of transactions with entities with joint control or significant interest

European Safety Systems Ltd ("E2S") owns 25% of the company and has common directors.

During the year, the company made sales of £2,145,836 (2021: £1,862,689) to E2S. The company was charged management fees of £102,000 (2021: £102,000) by E2S. At the year end, the company was owed £2,332,678 (2021: £2,650,000)

10. Loans and borrowings

	31.12.22 £	31.12.21 £
Current loans and borrowings		
Bank overdrafts	<u>85,316</u>	<u>-</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.