

Engineering Control Supplies Limited
Financial Statements
for the Year Ended 31 July 2020

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for the year ended 31 July 2020

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Company Information
for the year ended 31 July 2020

DIRECTORS:	R Jones K Perrin
SECRETARY:	Mrs E Jones
REGISTERED OFFICE:	Roman Hill Trading Estate Broadmayne Dorchester Dorset DT2 8LY
REGISTERED NUMBER:	02492970 (England and Wales)
ACCOUNTANTS:	Read Woodruff Chartered Accountants 24 Cornwall Road Dorchester Dorset DT1 1RX
BANKERS:	HSBC Bank plc 15 Cornhill Dorchester Dorset DT1 1BJ

Statement of Financial Position
31 July 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Intangible assets	4		17,170		29,290
Property, plant and equipment	5		1,222,692		1,288,041
Investments	6		15,075		15,075
			1,254,937		1,332,406
CURRENT ASSETS					
Inventories		195,206		109,713	
Debtors	7	176,617		462,791	
Cash at bank and in hand		156,961		32,954	
		528,784		605,458	
CREDITORS					
Amounts falling due within one year	8	472,388		578,138	
NET CURRENT ASSETS			56,396		27,320
TOTAL ASSETS LESS CURRENT LIABILITIES			1,311,333		1,359,726
CREDITORS					
Amounts falling due after more than one year	9		(178,617)		(205,649)
PROVISIONS FOR LIABILITIES			(66,546)		(77,191)
NET ASSETS			1,066,170		1,076,886
CAPITAL AND RESERVES					
Called up share capital			154		154
Capital redemption reserve			288		288
Retained earnings			1,065,728		1,076,444
SHAREHOLDERS' FUNDS			1,066,170		1,076,886

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2021 and were signed on its behalf by:

R Jones - Director

Notes to the Financial Statements for the year ended 31 July 2020

1. STATUTORY INFORMATION

Engineering Control Supplies Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2002, is being amortised evenly over its estimated useful life of twenty years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of nil years.

Patents and licences

Amortisation was provided at 10% on cost per annum in order to write off patents and licences over their estimated useful life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

The directors consider that freehold properties are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result, the corresponding depreciation charge for the year is nil. The directors perform annual impairment reviews to ensure that the recoverable amount is not lower than the carrying value.

Stocks

Inventories and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing inventories to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Notes to the Financial Statements - continued
for the year ended 31 July 2020

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 23 (2019 - 21) .

4. **INTANGIBLE FIXED ASSETS**

	Goodwill	Patents and licences	Totals
	£	£	£
COST			
At 1 August 2019 and 31 July 2020	242,400	6,778	249,178
AMORTISATION			
At 1 August 2019	213,110	6,778	219,888
Amortisation for year	12,120	-	12,120
At 31 July 2020	225,230	6,778	232,008
NET BOOK VALUE			
At 31 July 2020	17,170	-	17,170
At 31 July 2019	29,290	-	29,290

Notes to the Financial Statements - continued
for the year ended 31 July 2020

5. **PROPERTY, PLANT AND EQUIPMENT**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 August 2019	826,416	901,260	77,324	78,770	1,883,770
Additions	-	1,167	7,800	-	8,967
At 31 July 2020	<u>826,416</u>	<u>902,427</u>	<u>85,124</u>	<u>78,770</u>	<u>1,892,737</u>
DEPRECIATION					
At 1 August 2019	-	510,772	48,769	36,188	595,729
Charge for year	-	58,704	4,966	10,646	74,316
At 31 July 2020	-	<u>569,476</u>	<u>53,735</u>	<u>46,834</u>	<u>670,045</u>
NET BOOK VALUE					
At 31 July 2020	<u>826,416</u>	<u>332,951</u>	<u>31,389</u>	<u>31,936</u>	<u>1,222,692</u>
At 31 July 2019	<u>826,416</u>	<u>390,488</u>	<u>28,555</u>	<u>42,582</u>	<u>1,288,041</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 August 2019	159,000	68,380	227,380
Transfer to ownership	-	(41,931)	(41,931)
At 31 July 2020	<u>159,000</u>	<u>26,449</u>	<u>185,449</u>
DEPRECIATION			
At 1 August 2019	54,400	27,827	82,227
Charge for year	15,690	4,856	20,546
Transfer to ownership	-	(20,802)	(20,802)
At 31 July 2020	<u>70,090</u>	<u>11,881</u>	<u>81,971</u>
NET BOOK VALUE			
At 31 July 2020	<u>88,910</u>	<u>14,568</u>	<u>103,478</u>
At 31 July 2019	<u>104,600</u>	<u>40,553</u>	<u>145,153</u>

6. **FIXED ASSET INVESTMENTS**

	Other investments £
COST	
At 1 August 2019 and 31 July 2020	<u>15,075</u>
NET BOOK VALUE	
At 31 July 2020	<u>15,075</u>
At 31 July 2019	<u>15,075</u>

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	123,865	430,623
Other debtors	<u>52,752</u>	<u>32,168</u>
	<u>176,617</u>	<u>462,791</u>

Notes to the Financial Statements - continued
for the year ended 31 July 2020

8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
		£	£
	Bank loans and overdrafts	142,440	57,623
	Hire purchase contracts	31,641	57,921
	Trade creditors	174,939	278,265
	Taxation and social security	28,637	120,455
	Other creditors	94,731	63,874
		<u>472,388</u>	<u>578,138</u>

9.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020	2019
		£	£
	Bank loans	152,147	147,538
	Hire purchase contracts	26,470	58,111
		<u>178,617</u>	<u>205,649</u>

Amounts falling due in more than five years:

Repayable by instalments			
Bank loans	<u>8,333</u>	<u>-</u>	

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank overdraft	97,382	-
Hire purchase contracts	58,111	116,032
Bank loans	147,205	205,161
	<u>302,698</u>	<u>321,193</u>

HSBC Bank plc loan, overdraft and credit card facilities are secured by a debenture created on 8 October 2014 comprising fixed and floating charges over all property and assets, present and future, together with a legal mortgage over the company's freehold property created 4 November 2014.

Hire purchase liabilities are secured on the assets concerned.

11. **OTHER FINANCIAL COMMITMENTS**

The company has future operating lease commitments totalling £26,125.

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.