

REGISTERED NUMBER: 02492970 (England and Wales)

Engineering Control Supplies Limited
Financial Statements
for the Year Ended 31 July 2019

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for the year ended 31 July 2019

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Company Information
for the year ended 31 July 2019

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 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Intangible assets	4		29,290		41,410
Property, plant and equipment	5		1,288,041		1,388,431
Investments	6		15,075		15,075
			1,332,406		1,444,916
CURRENT ASSETS					
Inventories		109,713		176,141	
Debtors	7	462,791		311,120	
Cash at bank and in hand		32,954		102,397	
		605,458		589,658	
CREDITORS					
Amounts falling due within one year	8	578,138		574,645	
NET CURRENT ASSETS			27,320		15,013
TOTAL ASSETS LESS CURRENT LIABILITIES			1,359,726		1,459,929
CREDITORS					
Amounts falling due after more than one year	9		(205,649)		(321,176)
PROVISIONS FOR LIABILITIES			(77,191)		(90,927)
NET ASSETS			1,076,886		1,047,826
CAPITAL AND RESERVES					
Called up share capital			154		154
Capital redemption reserve			288		288
Retained earnings			1,076,444		1,047,384
SHAREHOLDERS' FUNDS			1,076,886		1,047,826

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2019 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 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 on 29 April 2020 and were signed on its behalf by:

R Jones - Director

Notes to the Financial Statements for the year ended 31 July 2019

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 2019

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 21 (2018 - 25) .

4. **INTANGIBLE FIXED ASSETS**

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 August 2018 and 31 July 2019	<u>242,400</u>	<u>6,778</u>	<u>249,178</u>
AMORTISATION			
At 1 August 2018	200,990	6,778	207,768
Amortisation for year At 31 July 2019	<u>12,120</u>	<u>-</u>	<u>12,120</u>
	<u>213,110</u>	<u>6,778</u>	<u>219,888</u>
NET BOOK VALUE			
At 31 July 2019	<u>29,290</u>	<u>-</u>	<u>29,290</u>
At 31 July 2018	<u>41,410</u>	<u>-</u>	<u>41,410</u>

Notes to the Financial Statements - continued
for the year ended 31 July 2019

5. **PROPERTY, PLANT AND EQUIPMENT**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 August 2018	826,416	901,260	71,774	109,881	1,909,331
Additions	-	-	5,550	850	6,400
Disposals	-	-	-	(31,961)	(31,961)
At 31 July 2019	<u>826,416</u>	<u>901,260</u>	<u>77,324</u>	<u>78,770</u>	<u>1,883,770</u>
DEPRECIATION					
At 1 August 2018	-	441,863	44,057	34,980	520,900
Charge for year	-	68,909	4,712	14,404	88,025
Eliminated on disposal	-	-	-	(13,196)	(13,196)
At 31 July 2019	-	<u>510,772</u>	<u>48,769</u>	<u>36,188</u>	<u>595,729</u>
NET BOOK VALUE					
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>
At 31 July 2018	<u>826,416</u>	<u>459,397</u>	<u>27,717</u>	<u>74,901</u>	<u>1,388,431</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 2018	480,850	97,346	578,196
Disposals	-	(28,966)	(28,966)
Transfer to ownership	(321,850)	-	(321,850)
At 31 July 2019	<u>159,000</u>	<u>68,380</u>	<u>227,380</u>
DEPRECIATION			
At 1 August 2018	187,788	25,172	212,960
Charge for year	18,458	13,894	32,352
Eliminated on disposal	-	(11,239)	(11,239)
Transfer to ownership	(151,846)	-	(151,846)
At 31 July 2019	<u>54,400</u>	<u>27,827</u>	<u>82,227</u>
NET BOOK VALUE			
At 31 July 2019	<u>104,600</u>	<u>40,553</u>	<u>145,153</u>
At 31 July 2018	<u>293,062</u>	<u>72,174</u>	<u>365,236</u>

6. **FIXED ASSET INVESTMENTS**

	Other investments £
COST	
At 1 August 2018 and 31 July 2019	<u>15,075</u>
NET BOOK VALUE	
At 31 July 2019	<u>15,075</u>
At 31 July 2018	<u>15,075</u>

Notes to the Financial Statements - continued
for the year ended 31 July 2019

7.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	2018
		£	£
	Trade debtors	430,623	283,860
	Other debtors	5,000	5,000
	Prepayments and accrued income	27,168	22,260
		<u>462,791</u>	<u>311,120</u>
8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	2018
		£	£
	Bank loans and overdrafts	57,623	185,398
	Hire purchase contracts	57,921	56,506
	Trade creditors	278,265	198,907
	UK corporation tax	69,420	52,385
	Tax and social security costs	51,035	16,661
	Other creditors	32,219	34,517
	Directors' current accounts	3,114	2,264
	Accruals and deferred income	28,541	28,007
		<u>578,138</u>	<u>574,645</u>
9.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2019	2018
		£	£
	Bank loans	147,538	205,144
	Hire purchase contracts	58,111	116,032
		<u>205,649</u>	<u>321,176</u>
10.	SECURED DEBTS		
	The following secured debts are included within creditors:		
		2019	2018
		£	£
	Bank overdraft	-	98,097
	Bank loans	205,161	292,445
	Hire purchase contracts	116,032	172,538
		<u>321,193</u>	<u>563,080</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 £44,906.

12. **RELATED PARTY DISCLOSURES**

During the year, total dividends of £113,000 (2018 - £125,000) were paid to the directors .

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.