

REGISTERED NUMBER: 04774091 (England and Wales)

EKM SYSTEMS LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2017

Corporate Accountancy Solutions Limited
Georges Court
Chestergate
Macclesfield
Cheshire
SK11 6DP

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FOR THE YEAR ENDED 31ST MAY 2017**

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EKM SYSTEMS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MAY 2017

DIRECTOR: A Chesworth

SECRETARY: Mrs J Chesworth

REGISTERED OFFICE: Caxton Road
Fulwood
Preston
Lancashire
PR2 9ZB

REGISTERED NUMBER: 04774091 (England and Wales)

ACCOUNTANTS: Corporate Accountancy Solutions Limited
Georges Court
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BALANCE SHEET
31ST MAY
2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	4		54,501		72,667
Tangible assets	5		<u>2,688,816</u>		<u>1,571,775</u>
			2,743,317		1,644,442
CURRENT ASSETS					
Debtors	6	1,562,866		1,483,948	
Cash at bank		<u>145,625</u>		<u>1,018,403</u>	
		1,708,491		2,502,351	
CREDITORS					
Amounts falling due within one year	7	<u>2,018,480</u>		<u>1,488,586</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(309,989)</u>		<u>1,013,765</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,433,328		2,658,207
CREDITORS					
Amounts falling due after more than one year	8		(304,522)		(417,117)
PROVISIONS FOR LIABILITIES			<u>(92,850)</u>		<u>(102,407)</u>
NET ASSETS			<u><u>2,035,956</u></u>		<u><u>2,138,683</u></u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>2,035,856</u>		<u>2,138,583</u>
SHAREHOLDERS' FUNDS			<u><u>2,035,956</u></u>		<u><u>2,138,683</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st May 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st May 2017 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- 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.

**BALANCE SHEET -
continued
31ST MAY
2017**

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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

The financial statements were approved by the director on 28th February 2018 and were signed by:

A Chesworth - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2017**

1. STATUTORY INFORMATION

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

These financial statements for the year ended 31 May 2017 are the first financial statements that comply with FRS 102 Section 1A for small entities. The date of transition was 1 June 2015.

The transition to FRS 102 Section 1A for small entities has not resulted in any changes in accounting policies to those used previously.

Turnover

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

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.

Development costs are being amortised evenly over their estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 10% on cost and 2% on cost
Plant and machinery etc	- 33% on cost, 25% on reducing balance, 15% on reducing balance and 10% on cost

Financial instruments

The following assets and liabilities are classified as financial instruments - trade debtors, trade creditors, bank loans, and directors' loans.

Bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Directors' loans (being payable on demand), trade debtors and trade creditors are measured at the undiscounted amount of the cash consideration expected to be paid or received.

Financial assets that are measured at 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 Income Statement.

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 balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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 held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value and are depreciated in accordance with the above depreciation policy.

Future instalments under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account on a straight line basis.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 74 (2016 - 67).

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1st June 2016 and 31st May 2017	<u>181,663</u>
AMORTISATION	
At 1st June 2016	108,996
Charge for year	<u>18,166</u>
At 31st May 2017	<u>127,162</u>
NET BOOK VALUE	
At 31st May 2017	<u>54,501</u>
At 31st May 2016	<u>72,667</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017**

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1st June 2016	1,174,661	1,126,782	2,301,443
Additions	<u>924,331</u>	<u>463,069</u>	<u>1,387,400</u>
At 31st May 2017	<u>2,098,992</u>	<u>1,589,851</u>	<u>3,688,843</u>
DEPRECIATION			
At 1st June 2016	144,625	585,043	729,668
Charge for year	<u>155,958</u>	<u>114,401</u>	<u>270,359</u>
At 31st May 2017	<u>300,583</u>	<u>699,444</u>	<u>1,000,027</u>
NET BOOK VALUE			
At 31st May 2017	<u>1,798,409</u>	<u>890,407</u>	<u>2,688,816</u>
At 31st May 2016	<u>1,030,036</u>	<u>541,739</u>	<u>1,571,775</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	21,458	-
Other debtors	<u>1,541,408</u>	<u>1,483,948</u>
	<u>1,562,866</u>	<u>1,483,948</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts	113,191	71,098
Hire purchase contracts	136,675	-
Trade creditors	167,234	1,181,874
Taxation and social security	113,097	151,020
Other creditors	<u>1,488,283</u>	<u>84,594</u>
	<u>2,018,480</u>	<u>1,488,586</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Bank loans	<u>304,522</u>	<u>417,117</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017**

9. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank loans	<u>417,713</u>	<u>488,215</u>

The bank loans disclosed in creditors are secured as follows:

1) A bank loan in favour of Barclays Bank plc dated 9 July 2013 secured by way of a fixed and floating charge on freehold property of the company in the sum of £136,617.

2) A bank loan in favour of FW Capital Limited dated 9 October 2015 secured by way of fixed and floating charge over the intangible and tangible assets of the company in the sum of £351,598.

10. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is A Chesworth.

11. FIRST YEAR ADOPTION OF FRS 102

There were no adjustments arising on transition to FRS 102.