Company Registration No. 02910340 (England and Wales)

Enhanced Computer Solutions Limited

Unaudited Financial Statements

for the Year Ended 31 May 2020

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Enhanced Computer Solutions Limited

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Enhanced Computer Solutions Limited

Company Information

Directors	Mr J Gill Mr S White Mr J Cripps
Secretary	Mr. J Gill
Company number	02910340
Registered office	37 Commercial Road Poole Dorset BH14 0HU
Accountants	Inspire Professional Services Limited 37 Commercial Road Poole Dorset BH14 0HU

Enhanced Computer Solutions Limited

Balance Sheet

As At 31 May 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	**4**		149,758		69,263
Current assets					
Stocks		80,741		22,106	
Debtors	**5**	1,692,231		1,971,838	
Cash at bank and in hand		473,413		-	
		2,246,385		1,993,944	
Creditors: amounts falling due within one year	**6**	(1,036,001)		(913,125)	
Net current assets			1,210,384		1,080,819
Total assets less current liabilities			1,360,142		1,150,082
Creditors: amounts falling due after more than one year	**7**		(84,880)		(47,975)
Provisions for liabilities			(27,970)		(12,480)
Net assets			1,247,292		1,089,627
Capital and reserves					
Called up share capital	**10**		8,672		8,672
Share premium account			82,816		82,816
Profit and loss reserves			1,155,804		998,139
Total equity			1,247,292		1,089,627

Enhanced Computer Solutions Limited

Balance Sheet (Continued)

As At 31 May 2020

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 May 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors, authorised for issue and are signed on its behalf by:

Mr J Gill
Director

Date: 29 March 2021

Company Registration No. 02910340

The notes on pages 4 to 11 form part of these financial statements.

1 Accounting policies

Company information

Enhanced Computer Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is 37 Commercial Road, Poole, Dorset, BH14 0HU. The trading address is Unit 3 New Field Business Park, Stinsford Road, Poole, BH17 0NF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10 year straight line
Computers	3 year straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 **Accounting policies** **(Continued)**

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 **Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1 **Accounting policies** **(Continued)**

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1 **Accounting policies** **(Continued)**

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 **Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	36	33

3 **Intangible fixed assets**

	Goodwill £
Cost	
At 1 June 2019 and 31 May 2020	97,191
Amortisation and impairment	
At 1 June 2019 and 31 May 2020	97,191
Carrying amount	
At 31 May 2020	-
At 31 May 2019	-

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 June 2019	374,761
Additions	108,425
At 31 May 2020	483,186
Depreciation and impairment	
At 1 June 2019	305,498
Depreciation charged in the year	27,930
At 31 May 2020	333,428
Carrying amount	
At 31 May 2020	149,758
At 31 May 2019	69,263

5 Debtors

Amounts falling due within one year:	**2020** **£**	**2019** **£**
Trade debtors	368,720	535,858
Amounts owed by group undertakings	1,280,165	1,372,036
Other debtors	43,346	63,944
	1,692,231	1,971,838

6 Creditors: amounts falling due within one year

	2020 **£**	**2019** **£**
Bank loans and overdrafts	-	61,675
Trade creditors	409,958	359,155
Amounts owed to group undertakings	48,000	-
Corporation tax	-	26,764
Other taxation and social security	236,165	99,259
Other creditors	341,878	366,272
	1,036,001	913,125

7 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	84,880	47,975

8 Loans and overdrafts

	2020	2019
	£	£
Bank overdrafts	-	61,675
Other loans	58,491	41,665
	58,491	103,340
Payable within one year	30,979	86,675
Payable after one year	27,512	16,665

The above amounts are included within creditors and are secured by a fixed and floating charge against the assets held by the company.

9 Finance lease obligations

	2020	2019
Future minimum lease payments due under finance leases:	£	£
Within one year	10,322	2,429
In two to five years	57,368	-
	67,690	2,429

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Assets being purchased by finance lease have a security against them, whereby the liability is secured against the asset that it relates to.

10 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
86,716 Ordinary shares of 10p each	8,672	8,672

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
	20,217	94,010

12 Directors' transactions

During the year a total of £11,748 (2019: £13,781) was advanced to and a total of £5,228 (2019: £32,763) was credited by the directors in respect of their directors current account. Interest totalling £nil (2019: £243) was charged on this balance. At the balance sheet date the total amount due from the directors was £7,011 (2019: £491).

13 Parent company

The company is controlled by Enhanced Computer Solutions Holdings Limited a company registered in England and Wales, by virtue of its 100% holding in the company's issued share capital. The ultimate controlling party is the directors of the company by virtue of their majority shareholding in the parent company,

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