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Company registration number 04812429 (England and Wales)

**ECSI LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# **ECSI LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mrs J Colicci Mr Robert Colicci
<b>Secretary</b>	Mrs J Colicci
<b>Company number</b>	04812429
<b>Registered office</b>	Unit 8 Mitcham Industrial Estate Streatham Road Mitcham Surrey CR4 2AP
<b>Auditor</b>	Alexander James & Company Limited Upper Deck Admirals Quarters Portsmouth Road Thames Ditton Surrey KT7 0XA
<b>Business address</b>	Unit 8 Mitcham Industrial Estate Streatham Road Mitcham Surrey CR4 2AP

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# **ECSI LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 25

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# **ECSI LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present the strategic report for the year ended 31 December 2021.

#### **Fair review of the business**

ECSI Ltd trading as Colicci operates a number of cafes, restaurants and kiosks within parks in London. Colicci focus heavily on the provenance of their product & the design in which they are experienced. The service is at the heart of the offer and Colicci care deeply about their teams across the business. The company continues to focus on its Park based operations.

#### **Business Review**

2021 saw the continuation of covid effects on the business coupled with the maturing situation that Brexit has posed. The business was able to keep all sites open and increased the offerings and menus in restaurants and cafes which also saw the return of customers dining in.

There were growing issues with regards the supply chain which has continued in to present day. Both the cost and availability of products is a significant challenge faced by the business with certain lines unavailable for months. Labour shortages worsened through the year which drove the cost of labour up significantly. Colicci performed 3 company wide salary increases in a 12 month period.

Despite the challenges posed, the business is in a stable condition and the directors are satisfied with the results. Tourism has returned to Central London where the business operates a high concentration of sites. 2021 also saw the continuation of the governments VAT relief which the business benefitted significantly from. Our gross margin achieved of 36.96% is not sustainable and has only been achieved due to the VAT relief received in 2021. We expect the gross margin to drop to pre pandemic levels in 2022 now that VAT has returned to 20%.

The demand for takeaway products has remained high and as such the business is now focusing on a number of sustainable initiatives and products to mitigate its' environmental impact.

During 2020 the business took advantage of government backed support in the way of the Furlough scheme, VAT and CBILS. This ensured the working capital for the business that would enable the business to weather any further uncertainties. Due to our resilience and performance the business was in a position to pay back our CBILS prior to incurring interest.

# **ECSI LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Principal risks and uncertainties**

**Brexit** - The business weathered a significant number of challenges brought on by Brexit in 2020 & 2021 and continues to do so. These predominantly revolve around the supply and cost of goods and labour. The business put in place several measures to ensure continuity of supply was achieved and was able to hold costs where possible, however, in 2021 the cost of products inevitably started to rise. This remains a principal risk affecting the business.

**Staff Retention** - Colicci are incredibly proud of their people and at a time where staff shortages in hospitality has become the norm, Colicci has been able to retain and develop its core teams. 2021 was a far more challenging year than 2020 for staffing with the pool of candidates shrinking. This forced the business to perform more salary increases that would be deemed normal to ensure business continuity. This has continued in to 2022.

**Supply Chain** – The business is very proud of the quality of our offer, with every product carefully sourced based on its quality and its sustainability credentials. Brexit combined with the pandemic affected both the cost and supply of goods meaning the business had to remain agile and act fast to ensure the quality of our offer remained unchanged. Whilst the business works with a lot of British based suppliers and produce, disruptions in 2021 have grown. The cost of most products increased thus pinching margins meaning the business had to seek alternatives to bring the cost back down where possible. This is now a principal risk affecting the business.

**Cost of Living Crisis** – Whilst the war in Ukraine commenced at the beginning of 2022, due to overwhelming surge in energy prices witnessed, this is deemed a risk going into future years for the business and risks affecting our gross margin further.

Nevertheless, the business is well placed to overcome any challenges which may be presented. The business has a strong and experienced management team together with exceptional relationships with clients, partners and suppliers, all of which hold the business in good position for the future.

### **Development and performance**

Position of the Company at the Year End

At the current year we have seen the turnover increase by 65.75% from last year (2020: decrease of 28.7%). It is felt that the company is in a strong position for future trading.

### **Key performance indicators**

Analysis Based on Key Performance Indicators

Turnover is increased by 65.75% this year (2020: 28.7% decrease). Gross profit margins have increased by 3.43% (2020: increased by 12.67%). Administrative expenses have increased by 24.8%.

By order of the board

Mrs J Colicci  
**Secretary**

26 September 2022



# **ECSI LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company continued to be that of mobile ice cream, coffee and catering concessionaries and related activities.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs J Colicci  
Mr Robert Colicci

#### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £166,594. The directors do not recommend payment of a final dividend.

#### **Auditor**

Alexander James & Company Limited were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

Mrs J Colicci  
**Secretary**  
26 September 2022



# **ECSI LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **ECSI LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECSI LIMITED**

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### **Opinion**

We have audited the financial statements of ECSI Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *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 2021 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's 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 directors' 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 financial statements are 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. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



# **ECSI LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ECSI LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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's 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.

*Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.*

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to those risks were carried out. These procedures included

- discussions with management and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulation and fraud;
- identifying and testing journal entries entered on the accounting system;
- discussions with management and those charged with governance as to procedures and outcomes of the company's approach to compliance;
- challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

# **ECSI LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ECSI LIMITED**

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

**Michael Morris Dobrin FCCA ACA (Senior Statutory Auditor)  
For and on behalf of Alexander James & Company Limited**

26 September 2022

**Chartered Certified Accountants  
Statutory Auditor**

A handwritten signature in black ink, appearing to read 'Alexander James', with a stylized flourish at the end.

Upper Deck  
Admirals Quarters  
Portsmouth Road  
Thames Ditton  
Surrey  
KT7 0XA

# ECSI LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	17,483,997	10,548,654
Cost of sales		(11,021,216)	(7,011,186)
<b>Gross profit</b>		<b>6,462,781</b>	<b>3,537,468</b>
Administrative expenses		(3,457,432)	(2,769,370)
Other operating (expenses)/income		(3,609)	542,453
<b>Operating profit</b>	4	<b>3,001,740</b>	<b>1,310,551</b>
Interest payable and similar expenses	7	(47,243)	(52,110)
<b>Profit before taxation</b>		<b>2,954,497</b>	<b>1,258,441</b>
Tax on profit	8	(623,971)	(237,729)
<b>Profit for the financial year</b>		<b>2,330,526</b>	<b>1,020,712</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **ECSI LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021**

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	2021 £	2020 £
Profit for the year	2,330,526	1,020,712
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,330,526</u>	<u>1,020,712</u>

# ECSI LIMITED

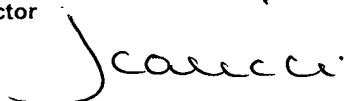
## BALANCE SHEET

AS AT 31 DECEMBER 2021

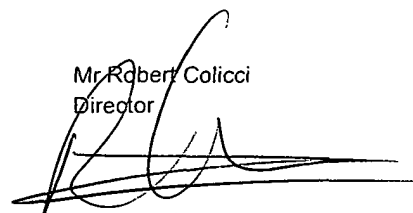
	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	10	3,443,601		3,616,427	
Investment properties	11	1,400,000		1,400,000	
		4,843,601		5,016,427	
<b>Current assets</b>					
Stocks	12	227,070	/	165,486	
Debtors	13	399,604		402,012	
Cash at bank and in hand		4,840,006		3,619,817	
		5,466,680		4,187,315	
<b>Creditors: amounts falling due within one year</b>	14	(2,641,725)		(3,517,917)	
<b>Net current assets</b>		2,824,955		669,398	
<b>Total assets less current liabilities</b>		7,668,556		5,685,825	
<b>Creditors: amounts falling due after more than one year</b>	15	(1,417,237)		(1,630,760)	
<b>Provisions for liabilities</b>		(474,548)		(442,226)	
<b>Net assets</b>		5,776,771		3,612,839	
<b>Capital and reserves</b>					
Called up share capital	20	100		100	
Profit and loss reserves	22	5,776,671		3,612,739	
<b>Total equity</b>		5,776,771		3,612,839	

The financial statements were approved by the board of directors and authorised for issue on 26 September 2022 and are signed on its behalf by:

Mrs J Colicci  
Director



Mr Robert Colicci  
Director



Company Registration No. 04812429

# ECSI LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2020		100	2,678,462	2,678,562
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	1,020,712	1,020,712
Dividends	9	-	(86,435)	(86,435)
Balance at 31 December 2020		100	3,612,739	3,612,839
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	2,330,526	2,330,526
Dividends	9	-	(166,594)	(166,594)
Balance at 31 December 2021		100	5,776,671	5,776,771

# ECSI LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	3,572,611		2,881,296	
Interest paid		(47,243)		(52,110)	
Income taxes paid		(270,582)		-	
<b>Net cash inflow from operating activities</b>		<u>3,254,786</u>		<u>2,829,186</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(583,260)		(784,412)	
Proceeds on disposal of tangible fixed assets		-		77,580	
<b>Net cash used in investing activities</b>		<u>(583,260)</u>		<u>(706,832)</u>	
<b>Financing activities</b>					
Repayment of bank loans		(1,260,675)		1,041,103	
Payment of finance leases obligations		(24,068)		(27,230)	
Dividends paid		(166,594)		(86,435)	
<b>Net cash (used in)/generated from financing activities</b>		<u>(1,451,337)</u>		<u>927,438</u>	
<b>Net increase in cash and cash equivalents</b>		<u>1,220,189</u>		<u>3,049,792</u>	
Cash and cash equivalents at beginning of year		<u>3,619,817</u>		<u>570,025</u>	
<b>Cash and cash equivalents at end of year</b>		<u><u>4,840,006</u></u>		<u><u>3,619,817</u></u>	

# **ECSI LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

ECSI Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 8, Mitcham Industrial Estate, Streatham Road, Mitcham, Surrey, CR4 2AP.

#### **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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts 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 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 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 the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

#### **1.4 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:

Land and buildings Leasehold	Over the life of the lease
Motor Vans and Trailers	10 Years Reducing Balance
Fixtures, fittings & equipment	Over the life of the lease
Motor vehicles	4 Years Reducing Balance



# **ECSI LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Accounting policies**

**(Continued)**

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.

##### **1.5 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

##### **1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

##### **1.7 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 cost and replacement 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.

##### **1.8 Cash and cash equivalents**

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.

# **ECSI LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Accounting policies**

**(Continued)**

##### **1.9 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.

##### **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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **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.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **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.

# ECSI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **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.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

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

#### **1.10 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.

#### **1.11 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **1.12 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.

# **ECSI LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Accounting policies**

**(Continued)**

##### ***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.

##### **1.13 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.

##### **1.14 Retirement benefits**

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

##### **1.15 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.

##### **1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# ECSI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover

An analysis of the company's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Total sales of goods	17,411,589	10,490,026
Rent receivable	72,408	58,628
	<u>17,483,997</u>	<u>10,548,654</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>17,483,997</u>	<u>10,548,654</u>

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	14,615	8,400
Depreciation of owned tangible fixed assets	756,086	820,574
Profit on disposal of tangible fixed assets	-	(66,587)
	<u></u>	<u></u>

# ECSI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Employees

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

	2021 Number	2020 Number
Administration	15	12
Parks and Shows	214	155
Total	229	167

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	4,912,352	3,539,084
Social security costs	397,075	274,850
Pension costs	68,627	61,505
	5,378,054	3,875,439

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	562,500	251,667

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	293,750	95,000

### 7 Interest payable and similar expenses

	2021 £	2020 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	43,873	48,916
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	1,401	2,994
Other interest	1,969	200
	47,243	52,110

# ECSI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	591,649	270,583
<b>Deferred tax</b>		
Origination and reversal of timing differences	32,322	(32,854)
<b>Total tax charge</b>	<b>623,971</b>	<b>237,729</b>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	2,954,497	1,258,441
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	561,354	239,104
Tax effect of expenses that are not deductible in determining taxable profit	4,933	3,928
Gains not taxable	-	(12,061)
Permanent capital allowances in excess of depreciation	25,362	39,612
Other non-reversing timing differences	32,322	(32,854)
<b>Taxation charge for the year</b>	<b>623,971</b>	<b>237,729</b>

### 9 Dividends

	2021 £	2020 £
Interim paid	166,594	86,435

# ECSI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Tangible fixed assets

	Land and buildings Leasehold	Motor Vans and Trailers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 January 2021	952,536	3,166,486	3,593,746	224,404	7,937,172
Additions	60,944	217,764	304,552	-	583,260
At 31 December 2021	1,013,480	3,384,250	3,898,298	224,404	8,520,432
<b>Depreciation and impairment</b>					
At 1 January 2021	516,117	1,556,489	2,124,836	123,303	4,320,745
Depreciation charged in the year	142,142	177,332	411,337	25,275	756,086
At 31 December 2021	658,259	1,733,821	2,536,173	148,578	5,076,831
<b>Carrying amount</b>					
At 31 December 2021	355,221	1,650,429	1,362,125	75,826	3,443,601
At 31 December 2020	436,419	1,609,997	1,468,910	101,101	3,616,427

### 11 Investment property

	2021 £
<b>Fair value</b>	
At 1 January 2021 and 31 December 2021	1,400,000

Investment property comprises Unit 7 Mitcham Industrial Estate. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the Directors of the company, using their knowledge of the asset. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

### 12 Stocks

	2021 £	2020 £
Finished goods and goods for resale	227,070	165,486



# **ECSI LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

### **13 Debtors**

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	132,823	16,689
Corporation tax recoverable	34,802	34,802
Other debtors	8,027	13,044
Prepayments and accrued income	223,952	337,477
	<u>399,604</u>	<u>402,012</u>

### **14 Creditors: amounts falling due within one year**

	Notes	2021	2020
		£	£
Bank loans	16	195,900	1,250,000
Obligations under finance leases	17	11,703	28,823
Trade creditors		672,415	829,535
Corporation tax		591,649	270,583
Other taxation and social security		320,537	271,868
Other creditors		141,060	99,664
Accruals and deferred income		708,461	767,444
		<u>2,641,725</u>	<u>3,517,917</u>

### **15 Creditors: amounts falling due after more than one year**

	Notes	2021	2020
		£	£
Bank loans and overdrafts	16	1,413,492	1,620,067
Obligations under finance leases	17	3,745	10,693
		<u>1,417,237</u>	<u>1,630,760</u>

### **16 Loans and overdrafts**

	2021	2020
	£	£
Bank loans	1,609,392	2,870,067
	<u>1,609,392</u>	<u>2,870,067</u>
Payable within one year	195,900	1,250,000
Payable after one year	1,413,492	1,620,067
	<u>1,609,392</u>	<u>2,870,067</u>

# ECSI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 16 Loans and overdrafts

(Continued)

The bank loan is secured by a 1st legal charge over Unit 7 Mitcham Industrial Estate dated 01/04/2015, a charge over Unit 8 Mitcham Industrial Estate dated 11/05/2018 and a debenture dated 05/02/2015 from ECSI Ltd.

### 17 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	11,703	28,823
In two to five years	3,745	10,693
	<u>15,448</u>	<u>39,516</u>

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.

### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021	Liabilities 2020
	£	£
Balances:		
ACAs	350,462	318,140
Revaluations	124,086	124,086
	<u>474,548</u>	<u>442,226</u>
		2021
Movements in the year:		£
Liability at 1 January 2021		442,226
Other		<u>32,322</u>
Liability at 31 December 2021		<u>474,548</u>

The deferred tax liability set out above is expected to reverse within 1-3 years and relates to accelerated capital allowances that are expected to mature within the same period.

# ECSI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	68,627	61,505

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 20 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary A Shares of £1 each	40	40	40	40
Ordinary B Shares of £1 each	40	40	40	40
Ordinary C Shares of £1 each	10	10	10	10
Ordinary D Shares of £1 each	10	10	10	10
	100	100	100	100

#### 21 Non-distributable profits reserve

	2021	2020
	£	£
At the beginning and end of the year	526,773	526,773

#### 22 Profit and loss reserves

	2021	2020
	£	£
At the beginning of the year	3,612,739	2,678,462
Profit for the year	2,330,526	1,020,712
Dividends declared and paid in the year	(166,594)	(86,435)
At the end of the year	5,776,671	3,612,739

Included in the profit and loss reserve is an amount of £526,773 (2020: £526,773) relating to the revaluation gain and deferred tax thereon that is not distributable.

#### 23 Related party transactions

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

# ECSI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 23 Related party transactions

(Continued)

Included in other debtors is an amount of £6,827 (2020: £6,827) owed to the company by Gelmatic UK Limited, a company under common control.

### 24 Directors' transactions

During the period, the company paid £125,200 (2020 : £66,700) rent to the directors

### 25 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	2,330,526	1,020,712
<b>Adjustments for:</b>		
Taxation charged	623,971	237,729
Finance costs	47,243	52,110
Gain on disposal of tangible fixed assets	-	(66,587)
Depreciation and impairment of tangible fixed assets	756,086	820,574
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(61,584)	25,329
Decrease in debtors	2,408	367,956
(Decrease)/increase in creditors	(126,038)	423,473
<b>Cash generated from operations</b>	<b>3,572,612</b>	<b>2,881,296</b>

### 26 Analysis of changes in net funds

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	3,619,817	1,220,189	4,840,006
Borrowings excluding overdrafts	(2,870,067)	1,260,675	(1,609,392)
Obligations under finance leases	(39,516)	24,068	(15,448)
	<b>710,234</b>	<b>2,504,932</b>	<b>3,215,166</b>