

REGISTERED NUMBER: 02563101 (England and Wales)

European Environmental Controls Ltd
Unaudited Financial Statements for the Year Ended 31 August 2020

Advance Chartered Accountants
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Southport
Merseyside
PR9 0PR

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European Environmental Controls Ltd (Registered number: 02563101)

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for the Year Ended 31 August 2020**

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European Environmental Controls Ltd

Company Information for the Year Ended 31 August 2020

DIRECTOR:	Mr J S M Shevlin
REGISTERED OFFICE:	140b Norwood Road Southport Merseyside PR8 6EH
REGISTERED NUMBER:	02563101 (England and Wales)
ACCOUNTANTS:	Advance Chartered Accountants 71-73 Houghton Street Southport Merseyside PR9 0PR

European Environmental Controls Ltd (Registered number: 02563101)**Abridged Balance Sheet
31 August 2020**

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	4		130,952		148,320
CURRENT ASSETS					
Stocks		141,541		147,462	
Debtors	5	2,652,094		2,446,409	
Cash at bank and in hand		<u>108,488</u>		<u>107,783</u>	
		2,902,123		2,701,654	
CREDITORS					
Amounts falling due within one year		<u>896,066</u>		<u>696,627</u>	
NET CURRENT ASSETS			<u>2,006,057</u>		<u>2,005,027</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,137,009		2,153,347
CREDITORS					
Amounts falling due after more than one year			(250,000)		-
PROVISIONS FOR LIABILITIES			<u>(1,292,840)</u>		<u>(1,472,634)</u>
NET ASSETS			<u>594,169</u>		<u>680,713</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>594,069</u>		<u>680,613</u>
SHAREHOLDERS' FUNDS			<u>594,169</u>		<u>680,713</u>

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

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2020 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.

European Environmental Controls Ltd (Registered number: 02563101)

Abridged Balance Sheet - continued
31 August 2020

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

All the members have consented to the preparation of an abridged Income Statement and an abridged Balance Sheet for the year ended 31 August 2020 in accordance with Section 444(2A) of the Companies Act 2006.

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 and authorised for issue on 10 February 2021 and were signed by:

Mr J S M Shevlin - Director

European Environmental Controls Ltd (Registered number: 02563101)

Notes to the Financial Statements for the Year Ended 31 August 2020

1. STATUTORY INFORMATION

European Environmental Controls Ltd 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), as adapted by Section 1A of 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. The principal accounting policies adopted are set out below.

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.

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.

European Environmental Controls Ltd (Registered number: 02563101)

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

2. ACCOUNTING POLICIES - continued

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

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Improvements to Property	-	4% Reducing Balance
Fixtures & Fittings	-	10%, 20% & 33% Reducing Balance
Motor Vehicles	-	25% Reducing Balance
Equipment	-	33% 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.

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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials.

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.

Cash at bank and in hand

Cash at bank and in hand 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.

European Environmental Controls Ltd (Registered number: 02563101)

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

2. ACCOUNTING POLICIES - continued

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, loans to related parties 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.

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 and loans from related parties 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.

Equity instruments

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

Taxation

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.

European Environmental Controls Ltd (Registered number: 02563101)

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

2. 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.

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 the profit and loss account 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 income 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 lease asset are consumed.

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.

Provisions

Some products carry formal guarantees of satisfactory performance following purchase by customers. Provision is made for the estimated cost of honouring these warranties.

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

European Environmental Controls Ltd (Registered number: 02563101)

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 57 (2019 - 55) .

4. TANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 September 2019	664,557
Additions	3,761
Disposals	<u>(24,195)</u>
At 31 August 2020	<u>644,123</u>
DEPRECIATION	
At 1 September 2019	516,237
Charge for year	14,599
Eliminated on disposal	<u>(17,665)</u>
At 31 August 2020	<u>513,171</u>
NET BOOK VALUE	
At 31 August 2020	<u>130,952</u>
At 31 August 2019	<u>148,320</u>

5. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Other debtors	<u>1,640,211</u>	<u>1,704,190</u>

6. ULTIMATE CONTROLLING PARTY

The company is under the control of Mr J M S Ball who controls a majority shareholding.

