

REGISTERED NUMBER: 01845919 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
FOR  
E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED



**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>DIRECTORS:</b>	R G MacDowall A B Stuart G MacDowall J A Hope
<b>SECRETARY:</b>	A B Stuart
<b>REGISTERED OFFICE:</b>	The Airport Carlisle Cumbria CA6 4NW
<b>REGISTERED NUMBER:</b>	01845919 (England and Wales)
<b>AUDITORS:</b>	Christian Douglass Accountants Limited Chartered Accountants Statutory Auditor 2 Jordan Street Knott Mill Manchester M15 4PY
<b>BANKERS:</b>	Barclays Bank Plc Barclays House 5 St Anns Street Quayside Newcastle upon Tyne NE1 3DX  HSBC UK Bank Plc 1 Forest Green Off Caxton Road Fulwood Preston PR2 9LJ

**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their strategic report for the year ended 31 December 2020.

**REVIEW OF BUSINESS**

The principal activity of the business during the year continued to be the transportation of vehicles by road in the UK.

COVID-19 has had a major impact on the business results for 2020 as customers were forced to temporarily close during national lockdowns. As a result the UK new car registrations decreased by 29% compared to 2019 which represents the majority of vehicles moved by the business.

The key performance indicators during the year were as follows:

	<b>2020</b>	<b>2019</b>	<b>Change</b>
Turnover	£74,011,324	£ 100,183,870	(26.1%)
Gross profit %	1.01%	10.11%	
(Loss)/profit before tax	(£391,578)	£1,903,829	(120.6%)
Net assets	£23,698,602	£24,024,469	(1.4%)
Headcount	805	800	0.6%

**PRINCIPAL RISKS AND UNCERTAINTIES**

Management continually monitor the key risks facing the business together with assessing the controls used for managing these risks.

**Competitive risk**

The business holds contracts with the motor manufacturers that are subject to periodic competitive tender. This risk is managed by utilising the knowledge and experience of its senior employees to obtain new business opportunities and to retain existing business.

**Economic risk**

A downturn in the UK economy and the knock on effect to the new car market would impact the delivery volumes of the business. A further economic risk would come from motor manufacturers moving production facilities outside the UK. This risk is managed by the flexible business model employed by the company.

**Legislative risk**

The business is affected by many legislative controls including transport, employment, health and safety and taxation. This risk is managed by being a member of trade organisations who lobby the UK and EU governments and having clauses within contracts to hedge against cost increases following legislative changes.

**Foreign exchange risk**

The company has minimal exposure to foreign exchange risk.

**Interest rate risk**

The business has hire purchase debt at the year end of £26 million. This risk is managed by all of it being on fixed interest rate agreements.

**Cashflow risk**

At the year end the business had cash at the bank of £13 million and has held strong cash balances during the year. The cashflow risk to the business is minimal due to the cash balances held by the business.

**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**SECTION 172(1) STATEMENT**

The directors have regular board meetings at which they discuss a range of issues facing the business including the conduct of the business with its stakeholders.

The board of directors issued an ECM Code of Business Conduct which states its commitment to conducting its business activities in all respects according to ethical, professional and legal standards and that it will conduct its business in a competent, fair, impartial, and efficient manner. A copy of this is available on the company website.

The board of directors has issued a number of company policies and standards which are available on the company website and are displayed in prominent places within the work place. These policies are reviewed regularly and updated as and when required.

- Anti-Corruption and Bribery Policy
- Competition Law Compliance Policy
- Modern Slavery Statement
- Gender Pay Report
- Privacy Standard
- Supplier Sustainability Policy
- Environmental Management Policy
- Staff Policies on IT, Health and Safety, Bullying and Harassment and Equal Opportunity, Training and Dignity at Work.

The board of directors make the strategic decisions for the company in line with the Code of Business Conduct and company policies, and ensure that key managers within the business implement these policies when making the day to day decisions for the company.

**ON BEHALF OF THE BOARD:**

*Allen Stuart*

A B Stuart - Secretary

21 June 2021

**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of haulage and transport contractors.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2020.

**FUTURE DEVELOPMENTS**

The directors plan to secure new and existing contracts within its existing market, taking into account new challenges faced by the Covid-19 pandemic to ensure these services can be provided in a safe and efficient manner. The company will continue to investment in its people, fleet and IT systems.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

R G MacDowall  
A B Stuart  
G MacDowall  
J A Hope

**DISABLED EMPLOYEES**

Applications for employment for disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

**ENGAGEMENT WITH EMPLOYEES**

The company is committed to high standards of employment practice and places considerable value on the involvement of its employees. A number of company policies exist to protect employees and provide a safe and fair employment environment.

Employees are kept informed on matters affecting their current and future employment through employee representatives, newsletters, noticeboards in prominent places of work and through meetings with supervisors.

**ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS**

**Suppliers**

The company is committed to developing long term successful relationships with the best suppliers of goods and services, based on mutual trust and shared values. The company has a large number of suppliers, mainly from the UK. Senior managers review key suppliers, which often involves face to face meetings to discuss products and services, costs, service levels, product developments, environmental and other factors.

The company has a detailed ECM Supplier Sustainability Policy and all new suppliers are asked to confirm compliance with this. ECM has a Modern Slavery Statement which is reviewed and updated annually, reviewing all suppliers in regards to this statement and their risk assessment to Modern Slavery.

**Customers**

The company is committed to building long term partnerships with its customers. The company regularly has review meetings with its customers to discuss contract changes, service levels, damage, IT, health and safety, policy and reporting requirements. These meetings can take both formal and informal formats with directors and senior managers to engage and work with customers to provide the highest level of service.

The company has more detail in the ECM Promise to Customers Policy and Corporate Philosophy Policy and strives to be honest, ethical and straightforward in its customer dealings and engagement at all times.

**Competitors**

The company will continue to build its reputation on the basis of its performance alone and will compete vigorously and lawfully, and will not compete unfairly with others. Further information can be found in the ECM Competition Law Policy and Manual.

**Communities**

The company will build respectful, balanced, long-lasting relationships with the communities in which it operates. It will endeavour to take into consideration the concerns of the wider community, including both national and local interests, and will engage with local communities to understand their needs and any adverse impact the company operations have within these communities.

**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**BRANCHES**

At no time during the year did the company operate any branches outside of the United Kingdom.

**DISCLOSURE IN THE STRATEGIC REPORT**

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of financial instruments and financial risk management.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Christian Douglass Accountants Limited, are deemed to be re-appointed in accordance with section 487(2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

*Allen Stuart*

A B Stuart - Secretary

21 June 2021

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED**

**Opinion**

We have audited the financial statements of E. C. M. (Vehicle Delivery Service) Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of 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 2020 and of its loss 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**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 Report of the Directors.

We have nothing to report in respect of the following matters where 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.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED**

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

**Auditors' 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 a Report of the Auditors 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:

The audit, conducted in accordance with the ISAs (UK), required the exercise of professional judgment and the application of professional scepticism throughout. The audit was planned so as to identify and assess the risks of material misstatement of the financial statements, howsoever arising, and we subsequently designed and performed audit procedures responsive to those risks. We obtained an understanding of the company's systems of internal control, which management have established as described above, and undertook walkthrough testing to confirm their operation, solely to assist with designing audit procedures that are appropriate in the circumstances. We evaluated the appropriateness of accounting policies and the reasonableness of accounting estimates used by management. We audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business, if any. Further, we reviewed and concluded on the appropriateness of management's use of the going concern basis of accounting.

As a transport business, the company operates in a heavily regulated environment and we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statement from our general commercial experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the company's regulatory and legal correspondence and we discussed with the directors and other management, the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert for any indications of non-compliance throughout the audit.

The company is also subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with the auditing standards. In addition, as with any audit, there remains a higher risk of non-detection of fraud based irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED**

**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 a Report of the Auditors 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.



Mrs Deborah Burton F.C.A (Senior Statutory Auditor)  
for and on behalf of Christian Douglass Accountants Limited  
Chartered Accountants  
Statutory Auditor  
2 Jordan Street  
Knott Mill  
Manchester  
M15 4PY

Date: 24 June 2021

**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	31.12.20 £	31.12.19 £
<b>TURNOVER</b>	3	74,011,324	100,183,870
Cost of sales		<u>73,263,403</u>	<u>90,059,808</u>
<b>GROSS PROFIT</b>		747,921	10,124,062
Administrative expenses		<u>8,126,139</u>	<u>8,324,947</u>
		(7,378,218)	1,799,115
Other operating income	4	<u>6,955,922</u>	<u>9,483</u>
<b>OPERATING (LOSS)/PROFIT</b>	7	(422,296)	1,808,598
Interest receivable and similar income	8	<u>38,205</u>	<u>95,231</u>
		(384,091)	1,903,829
Interest payable and similar expenses	9	<u>7,487</u>	<u>-</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(391,578)	1,903,829
Tax on (loss)/profit	10	<u>(65,711)</u>	<u>370,565</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>(325,867)</u></u>	<u><u>1,533,264</u></u>

The notes form part of these financial statements

**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	31.12.20 £	31.12.19 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>	(325,867)	1,533,264
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>(325,867)</u></u>	<u><u>1,533,264</u></u>

The notes form part of these financial statements

**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

**BALANCE SHEET  
31 DECEMBER 2020**

	Notes	31.12.20 £	£	31.12.19 £	£
<b>FIXED ASSETS</b>					
Tangible assets	11		19,067,555		22,618,015
<b>CURRENT ASSETS</b>					
Stocks	12	756,810		782,881	
Debtors	13	27,202,032		26,220,543	
Cash at bank		<u>12,859,918</u>		<u>11,950,486</u>	
		40,818,760		38,953,910	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>17,798,547</u>		<u>17,688,128</u>	
<b>NET CURRENT ASSETS</b>			<u>23,020,213</u>		<u>21,265,782</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			42,087,768		43,883,797
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		<u>18,389,166</u>		<u>19,859,328</u>
<b>NET ASSETS</b>			<u>23,698,602</u>		<u>24,024,469</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		51,300		51,300
Retained earnings	20		<u>23,647,302</u>		<u>23,973,169</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>23,698,602</u>		<u>24,024,469</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 June 2021 and were signed on its behalf by:

*Grant MacDowall*

G MacDowall - Director

**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2019</b>	51,300	22,439,905	22,491,205
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>1,533,264</u>	<u>1,533,264</u>
<b>Balance at 31 December 2019</b>	<u>51,300</u>	<u>23,973,169</u>	<u>24,024,469</u>
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>(325,867)</u>	<u>(325,867)</u>
<b>Balance at 31 December 2020</b>	<u><u>51,300</u></u>	<u><u>23,647,302</u></u>	<u><u>23,698,602</u></u>

The notes form part of these financial statements

**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. STATUTORY INFORMATION**

E. C. M. (Vehicle Delivery Service) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 01845919 and its registered office address is at The Airport, Carlisle, Cumbria, CA6 4NW.

The principal activity of the company is the transportation of vehicles by road in the UK.

The financial statements are presented in Sterling, which is also the functional currency of the company.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

**Significant judgements and estimates**

In applying the company's accounting policies, the directors are required to make judgments, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgments, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgments, estimates and assumptions, the actual results and outcomes may differ.

In preparing these financial statements the directors have made judgments:

- in determining whether there are any indicators of impairment of the company's tangible fixed assets. Factors taken into account in reaching such a decision include the economic viability and expected future financial performance of the assets; and

- in determining the extent to which deferred tax assets and liabilities are expected to reverse during the year beginning after the reporting period by consideration of forecast capital expenditure and the associated tax treatment.

In addition, estimates have been made in respect of:

- the recoverability of debtors. The company establishes a provision for debtors that are estimated to be irrecoverable. When assessing recoverability the directors consider factors such as the ageing of debts, past experience of recovery and current information regarding the asset; and

- the determination of residual values and useful economic lives of tangible fixed assets. The company depreciates tangible fixed assets over their expected useful lives. The estimation of the useful lives of assets is based upon historic performance as well as expectations about future use. Assumptions are necessary regarding possible technological changes and maintenance programmes which can affect the actual lives of the assets.

**Turnover**

Turnover represents the amount derived from ordinary activities and is stated after trade discounts and excluding value added tax. The company's right to income arises either at the point of despatch or delivery, in line with contract terms.

Where unit rates are fixed over the term of the contract, income is spread so as to achieve an even allocation of benefits. Rates are adjusted, where the contracts allow, to account for fluctuations in certain underlying costs.

**E. C. M. (VEHICLE DELIVERY SERVICE)  
LIMITED (REGISTERED NUMBER: 01845919)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 10% on cost and 25% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% - 36% on reducing balance
Computer equipment	- 25% on cost and 25% on reducing balance

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Historical cost includes expenditure directly attributable to bringing the asset to the location and condition necessary for operation by the company.

At each reporting date an assessment is made as to whether there is any indication that an asset may be impaired. Indicators may be from external, market based, sources or from internal, record based, sources. If any such indication exists, the recoverable amount of the asset is estimated and impairment losses recorded so as to reduce the carrying value to the recoverable amount.

**Government grants**

Government grants which are capital-based and for which the company has met the required conditions for payment are recognised as deferred income on receipt. Deferred income is subsequently recognised as income in the income statement on a systematic basis over the periods in which the assets, towards which the grant is intended to contribute, are depreciated. Government grants which are revenue-based are recognised as income in the income statement when any performance related conditions have been met.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stocks represent fuel, parts and clothing for use by the company and are included at cost after making appropriate provision for obsolete or defective items.

Cost is determined as invoice price for all elements.

**Taxation**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and 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 end of the reporting period.

**Deferred taxation**

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are not discounted.



**E. C. M. (VEHICLE DELIVERY SERVICE)  
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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. ACCOUNTING POLICIES - continued**

**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 resulting from the settlement of such transactions and from the translation at year end exchange rates of assets and liabilities are recognised in the income statement.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss on a straight line basis, as incurred over the period of the lease.

**Pension costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities comprising credit bank balances, trade and other debtors plus trade and other creditors, are measured on a non-discounted basis at transaction price less any necessary impairment. Income and expenditure generated in respect of these financial instruments, including interest receivable and payable and foreign exchange gains or losses, are recognised in the income statement as they accrue.

Financial liabilities representing financing transactions, being hire purchase liabilities as included in note 16, are initially recorded at the present value of expected future cash flows discounted at a market rate of interest. At each reporting date the liabilities are measured at amortised cost using the effective interest method with the resultant interest charge being recognised in the income statement in the period to which it relates.

**3. TURNOVER**

The turnover and loss (2019 - profit) before taxation are attributable to the one principal activity of the company.

All activities of the company are carried out within the United Kingdom.

The company's turnover derives solely from the provision of services.

**4. OTHER OPERATING INCOME**

	31.12.20	31.12.19
	£	£
Other income	35,474	9,483
JRS grants	<u>6,920,448</u>	<u>-</u>
	<u><u>6,955,922</u></u>	<u><u>9,483</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. EMPLOYEES AND DIRECTORS**

	31.12.20	31.12.19
	£	£
Wages and salaries	33,285,830	34,869,605
Social security costs	3,253,476	3,538,046
Other pension costs	<u>810,901</u>	<u>831,492</u>
	<u><u>37,350,207</u></u>	<u><u>39,239,143</u></u>

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
Office and management	92	91
Drivers, mechanics and site operatives	<u>713</u>	<u>709</u>
	<u><u>805</u></u>	<u><u>800</u></u>

Other pension costs represent the company's expense for payments to defined contribution pension schemes. Unpaid pension liabilities at the balance sheet date amounted to £174,549 (2019: £186,647).

**6. DIRECTORS' EMOLUMENTS**

	31.12.20	31.12.19
	£	£
Directors' remuneration	<u>52,642</u>	<u>52,117</u>

Directors' remuneration includes benefits in kind.

**7. OPERATING (LOSS)/PROFIT**

The operating loss (2019 - operating profit) is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	640,781	755,176
Depreciation - assets on hire purchase contracts	6,044,665	6,490,946
Loss/(profit) on disposal of fixed assets	3,341	(22,476)
Auditors' remuneration	14,535	14,085
Amounts payable to the company's auditors for non-audit, including taxation, services	1,992	3,227
Operating lease payments recognised as an expense	325,609	318,051
Other rentals paid	475	2,733
Foreign currency exchange differences	3,603	9,847
Inventories recognised as an expense	<u>18,677,196</u>	<u>26,563,598</u>

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	31.12.20	31.12.19
	£	£
Bank interest	38,205	90,399
Interest on corporation tax	<u>-</u>	<u>4,832</u>
	<u><u>38,205</u></u>	<u><u>95,231</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.20	31.12.19
	£	£
Bank interest	252	-
Interest on corporation tax	6,215	-
Other interest payable	<u>1,020</u>	<u>-</u>
	<u><u>7,487</u></u>	<u><u>-</u></u>

In addition, included in cost of sales is hire purchase and lease interest of £797,333 (2019: £857,194).

**10. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	31.12.20	31.12.19
	£	£
Current tax:		
UK corporation tax	(26,900)	385,595
Under/(over) provision in prior years	<u>189</u>	<u>(30)</u>
Total current tax	(26,711)	385,565
Deferred tax	<u>(39,000)</u>	<u>(15,000)</u>
Tax on (loss)/profit	<u><u>(65,711)</u></u>	<u><u>370,565</u></u>

**Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.20	31.12.19
	£	£
(Loss)/profit before tax	<u>(391,578)</u>	<u>1,903,829</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(74,400)	361,728
Effects of:		
Expenses not deductible for tax purposes	3,642	3,950
Depreciation in excess of capital allowances	4,856	4,962
Under/(over) provision in prior years	189	(30)
Short term timing differences	<u>2</u>	<u>(45)</u>
Total tax (credit)/charge	<u><u>(65,711)</u></u>	<u><u>370,565</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2020	329,705	308,088	480,934
Additions	9,868	-	15,683
Disposals	-	(15,402)	(53,145)
At 31 December 2020	<u>339,573</u>	<u>292,686</u>	<u>443,472</u>
<b>DEPRECIATION</b>			
At 1 January 2020	161,956	264,611	411,388
Charge for year	31,917	9,696	16,649
Eliminated on disposal	-	(15,274)	(50,520)
At 31 December 2020	<u>193,873</u>	<u>259,033</u>	<u>377,517</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>145,700</u>	<u>33,653</u>	<u>65,955</u>
At 31 December 2019	<u>167,749</u>	<u>43,477</u>	<u>69,546</u>

  

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2020	87,026,081	977,579	89,122,387
Additions	3,022,365	216,317	3,264,233
Disposals	(2,972,002)	(222,670)	(3,263,219)
At 31 December 2020	<u>87,076,444</u>	<u>971,226</u>	<u>89,123,401</u>
<b>DEPRECIATION</b>			
At 1 January 2020	64,924,291	742,126	66,504,372
Charge for year	6,518,781	108,403	6,685,446
Eliminated on disposal	(2,879,882)	(188,296)	(3,133,972)
At 31 December 2020	<u>68,563,190</u>	<u>662,233</u>	<u>70,055,846</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>18,513,254</u>	<u>308,993</u>	<u>19,067,555</u>
At 31 December 2019	<u>22,101,790</u>	<u>235,453</u>	<u>22,618,015</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**11. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 January 2020	54,101,751
Additions	2,987,593
Transfer to ownership	(3,879,866)
Reclassification/transfer	49,995
	<u>53,259,473</u>
At 31 December 2020	
<b>DEPRECIATION</b>	
At 1 January 2020	34,034,807
Charge for year	6,044,665
Transfer to ownership	(3,498,941)
	<u>36,580,531</u>
At 31 December 2020	
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>16,678,942</u>
At 31 December 2019	<u>20,066,944</u>

**12. STOCKS**

	31.12.20 £	31.12.19 £
Goods for own use	<u>756,810</u>	<u>782,881</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20 £	31.12.19 £
Trade debtors	10,858,329	11,109,726
Amounts owed by group undertakings	12,021,795	11,035,501
Other debtors	50,445	74,590
Tax	45,198	-
Deferred tax asset	1,145,500	1,106,500
Prepayments and accrued income	<u>3,080,765</u>	<u>2,894,226</u>
	<u>27,202,032</u>	<u>26,220,543</u>
 Deferred tax asset		
	31.12.20 £	31.12.19 £
Accelerated capital allowances	1,112,300	1,071,000
Short term timing differences	<u>33,200</u>	<u>35,500</u>
	<u>1,145,500</u>	<u>1,106,500</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Hire purchase contracts (see note 16)	7,696,743	7,495,868
Trade creditors	2,882,215	3,383,345
Tax	-	217,763
Social security and other taxes	893,989	888,375
VAT	1,801,988	1,008,812
Other creditors	1,529,983	2,277,542
Accrued expenses	<u>2,993,629</u>	<u>2,416,423</u>
	<u>17,798,547</u>	<u>17,688,128</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.20	31.12.19
	£	£
Hire purchase contracts (see note 16)	<u>18,389,166</u>	<u>19,859,328</u>

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts 31.12.20	31.12.19
	£	£
Net obligations repayable:		
Within one year	7,696,743	7,495,868
Between one and five years	16,817,566	18,233,525
In more than five years	<u>1,571,600</u>	<u>1,625,803</u>
	<u>26,085,909</u>	<u>27,355,196</u>

	Non-cancellable operating leases	31.12.19
	31.12.20	£
	£	£
Within one year	310,459	309,473
Between one and five years	626,091	816,050
In more than five years	<u>-</u>	<u>77,000</u>
	<u>936,550</u>	<u>1,202,523</u>

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.20	31.12.19
	£	£
Hire purchase contracts	<u>26,085,909</u>	<u>27,355,196</u>

The hire purchase creditors are secured against the assets to which they relate. Certain hire purchase agreements due after more than five years are repayable by instalments over 84 months, attracting fixed rates of interest of between 2.1% and 4.3%.

**18. DEFERRED TAX**

	£
Balance at 1 January 2020	(1,106,500)
Accelerated capital allowances	(41,300)
Timing differences	<u>2,300</u>
Balance at 31 December 2020	<u>(1,145,500)</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**18. DEFERRED TAX - continued**

No reversal of the deferred tax asset is expected during 2021.

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	31.12.20	31.12.19
Number:	Class:		£	£
51,300	Ordinary	£1	<u>51,300</u>	<u>51,300</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the Company's residual assets.

**20. RESERVES**

	Retained earnings £
At 1 January 2020	23,973,169
Deficit for the year	<u>(325,867)</u>
At 31 December 2020	<u>23,647,302</u>

**21. ULTIMATE PARENT COMPANY**

The ultimate parent company is Cold Fell Group Limited, a company registered in England and Wales. A copy of that company's consolidated accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

**22. CAPITAL COMMITMENTS**

	31.12.20	31.12.19
	£	£
Contracted but not provided for in the financial statements	<u>608,720</u>	<u>2,635,320</u>

**23. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemptions in FRS 102 not to disclose transactions with wholly owned members of the group. The company is included in the consolidated accounts of the ultimate parent company.

The company rents premises from the Raymond Gregory MacDowall SIPP, a pension scheme of which the director, R G MacDowall, is a trustee and beneficiary. The following amounts are included in the financial statements for the current and previous year:

	31.12.20	31.12.19
	£	£
Rent of land and buildings	297,955	282,000
Insurance	<u>7,295</u>	<u>8,599</u>
	<u>305,250</u>	<u>290,599</u>

During the year the company's business premises and personnel were utilised by Fuel Optimisation Services, a company under common control, for which no charge was made.

All transactions with related parties were conducted under normal commercial terms and conditions.

**24. ULTIMATE CONTROLLING PARTY**

The directors consider that there is no ultimate controlling party.