

C S Ellis (Group) Limited

Registered number: 00852320

Directors' report and financial statements

For the year ended 30 June 2017

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C S ELLIS (GROUP) LIMITED

COMPANY INFORMATION

Directors	T C Ellis C S Ellis D J Clarke H E Cook P Turner
Company secretary	C S Ellis
Registered number	00852320
Registered office	Wireless Hill South Luffenham Oakham Rutland LE15 8NF
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 6 Dominus Way Meridian Business Park Leicester LE19 1RP
Bankers	Barclays Bank Plc Barclays House Meridian Business Park Leicester LE19 1RP

C S ELLIS (GROUP) LIMITED

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C S ELLIS (GROUP) LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Introduction

The directors present their strategic report for C S Ellis (Group) Limited for the year ended 30 June 2017.

Business review

The financial year has been another year of growth for the company with turnover rising from £12.53m to £13.27m, an increase of 5.8%.

Behind this is a continuing level of substantial investment. Capital additions of £2.2m have been made on the further development of both the Wireless Hill and Whetstone sites, the creation of additional warehousing space and the purchase of trailers for the general fleet. This investment is setting up a platform for increased, sustained profitability for the future. In the current year, pre tax profits have continued at a similar level to the previous financial year, at £211k compared with £221k.

Coupled with this tangible investment has been a focus on the staff. The directors believe the business has a strong team of loyal staff and has sustained this with various initiatives, including its discretionary bonus scheme open to all employees, 'One to One' appraisals for all staff, a staff survey and a training plan.

The directors reaffirm their commitment to be a cutting edge family business combining traditional values of reliability, trust and integrity with innovation and flexibility, therefore providing sustainable logistics solutions.

Principal risks and uncertainties

The directors have assessed the main risks facing the company as fuel prices, staff costs and adherence to best health and safety practice, which are regularly reviewed and carefully managed.

This report was approved by the board and signed on its behalf.

C S Ellis
Director



Date: 5 December 2017

C S ELLIS (GROUP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Principal activity

The principal activity of the company during the year continued to be that of transport and haulage.

Results and dividends

The profit for the year, after taxation, amounted to £159,779 (2016: £176,566).

No dividends were paid during the year (2016: £NIL).

Directors

The directors who served during the year were:

T C Ellis
C S Ellis
D J Clarke
H E Cook
P Turner

Future developments

We believe we have a very strong platform to continue the growth of the business in the year ahead, which has already started so successfully.

C S ELLIS (GROUP) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



**C S Ellis
Director**

Date: 5 December 2017

C S ELLIS (GROUP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C S ELLIS (GROUP) LIMITED

Opinion

We have audited the financial statements of C S Ellis (Group) Limited (the 'company') for the year ended 30 June 2017 which comprise the profit and loss account, the balance sheet, the 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 FRS 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 30 June 2017 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the annual report, other than the financial statements and our auditor's report 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C S ELLIS (GROUP) LIMITED

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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.

Matters on which we are required to report by exception

In 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 set out on page 2, 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.

C S ELLIS (GROUP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C S ELLIS (GROUP) LIMITED

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

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. This description forms part of our auditor's report.

Christopher Darlington (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: 5 December 2017

C S ELLIS (GROUP) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 £	2016 £
Turnover	4	13,270,664	12,533,114
Cost of sales		(10,271,338)	(10,344,271)
Gross profit		<u>2,999,326</u>	<u>2,188,843</u>
Administrative expenses		(2,736,217)	(1,909,277)
Operating profit	5	263,109	279,566
Income from fixed assets investments		11,030	-
Interest payable and similar charges	9	(62,803)	(58,409)
Profit before tax		<u>211,336</u>	<u>221,157</u>
Tax on profit	10	(51,557)	(44,591)
Profit for the financial year		<u><u>159,779</u></u>	<u><u>176,566</u></u>

There was no other comprehensive income for 2017 (2016 - £NIL).

The notes on pages 10 to 24 form part of these financial statements.

C S ELLIS (GROUP) LIMITED
REGISTERED NUMBER: 00852320

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	3,979,182	2,538,825
Investments	12	398,760	398,760
		<u>4,377,942</u>	<u>2,937,585</u>
Current assets			
Stocks	13	26,502	61,933
Debtors	14	3,880,108	4,599,548
Cash at bank and in hand		305,857	627,544
		<u>4,212,467</u>	<u>5,289,025</u>
Creditors: amounts falling due within one year	15	(3,325,708)	(3,485,325)
Net current assets		<u>886,759</u>	<u>1,803,700</u>
Total assets less current liabilities		<u>5,264,701</u>	<u>4,741,285</u>
Creditors: amounts falling due after more than one year	16	(1,893,739)	(1,533,762)
Provisions for liabilities			
Deferred tax	19	(175,849)	(172,189)
		<u>(175,849)</u>	<u>(172,189)</u>
Net assets		<u><u>3,195,113</u></u>	<u><u>3,035,334</u></u>
Capital and reserves			
Called up share capital	20	12,780	12,780
Other reserves		3,041	3,041
Profit and loss account		3,179,292	3,019,513
		<u>3,195,113</u>	<u>3,035,334</u>

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

C S Ellis
Director



Date: 5 December 2017

The notes on pages 10 to 24 form part of these financial statements.

C S ELLIS (GROUP) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2016	12,780	3,041	3,019,513	3,035,334
Profit for the year	-	-	159,779	159,779
At 30 June 2017	12,780	3,041	3,179,292	3,195,113

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2015	12,780	3,041	2,842,947	2,858,768
Profit for the year	-	-	176,566	176,566
At 30 June 2016	12,780	3,041	3,019,513	3,035,334

The notes on pages 10 to 24 form part of these financial statements.

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. General information

C S Ellis (Group) Limited is a limited liability company incorporated in England and Wales. The registered office is noted on the company information page. The principal activity of the company during the year was transport and haulage.

2. Accounting policies**2.1 Basis of preparation of financial statements**

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

The company is a wholly-owned subsidiary of C S Ellis (Holdings) Limited, a company incorporated in England and Wales, which has produced consolidated financial statements therefore, in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published consolidated accounts.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company's functional and presentational currency is GBP.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of C S Ellis (Holdings) Limited as at 30 June 2017 and these financial statements may be obtained from Companies House.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis:

Long term leasehold property	- 20% to 25% per annum straight line
Plant & machinery	- 5 - 25% per annum straight line and reducing balance
Motor vehicles	- 10% to 33% per annum straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2.5 Valuation of investments

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit and loss account for the period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated utilisable value. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its recoverable amount. The impairment loss is recognised immediately in the profit and loss account.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.10 Creditors

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance cost

Finance costs are charged to the profit and loss account, over the term of the debt using the effective interest method, so that the amount charged is a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)**2.12 Operating leases**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2.13 Hire purchase contracts

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Pensions**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.15 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies
None.

(b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See accounting policy note 2.4 for the useful economic lives for each class of assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

4. Turnover

Turnover is attributable to the principal activity of the company and arose wholly within the United Kingdom.

5. Operating profit

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

	2017	2016
	£	£
Depreciation of fixed assets - owned	442,059	313,047
Depreciation of fixed assets - hire purchase contracts	333,689	248,675
Exchange differences	(87,315)	(34,284)
Other operating lease rentals	330,598	338,932
Defined contribution pension cost	85,117	39,087

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor in respect of:		
Audit related assurance services	15,860	18,550
All other services	9,540	19,100
	<u>25,400</u>	<u>37,650</u>

Auditor's remuneration for audit and non-audit services is borne by the company on behalf of the C S Ellis (Holdings) Limited group of companies, which also includes fellow subsidiary undertakings Pacwolf Fulfilment Limited and Versatile Venues Limited.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	3,926,843	3,617,623
Social security costs	359,073	316,679
Cost of defined contribution pension scheme	85,117	39,087
	<u>4,371,033</u>	<u>3,973,389</u>

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

	2017 No.	2016 No.
Haulage and storage	92	93
Administration	42	38
	<u>134</u>	<u>131</u>

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	334,400	197,436
Company contributions to defined contribution pension schemes	85,117	24,068
	<u>419,517</u>	<u>221,504</u>

During the year retirement benefits were accruing to 4 directors (2016 - 4) in respect of defined contribution pension schemes.

9. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	22,707	22,289
Hire purchase contracts	40,096	36,120
	<u>62,803</u>	<u>58,409</u>

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	23,996	806
Adjustments in respect of previous periods	23,901	6,581
Total current tax	<u>47,897</u>	<u>7,387</u>
Deferred tax		
Origination and reversal of timing differences	6,600	42,185
Losses	(2,940)	(2,473)
Adjustment in respect of prior year	-	(2,508)
Total deferred tax	<u>3,660</u>	<u>37,204</u>
Taxation on profit on ordinary activities	<u>51,557</u>	<u>44,591</u>

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.75% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	211,336	221,157
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	41,739	44,231
Effects of:		
Expenses not deductible for tax purposes	4,412	1,123
Ineligible capital allowances	17,967	10,154
Adjustments to tax charge in respect of prior periods	23,901	4,073
Variance in tax rates	(13,798)	(14,689)
Prior year deferred tax not recognised	-	(301)
Capital gains timing differences	(1,156)	-
Deferred tax not recognised	(21,508)	-
Total tax charge for the year	51,557	44,591

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

11. Tangible fixed assets

	Long term leasehold property improvements £	Plant & machinery £	Motor vehicles £	Total £
Cost				
At 1 July 2016	109,560	3,423,089	5,631,746	9,164,395
Additions	548,811	555,272	1,119,150	2,223,233
Disposals	-	(1,700)	(341,210)	(342,910)
At 30 June 2017	658,371	3,976,661	6,409,686	11,044,718
Depreciation				
At 1 July 2016	70,718	2,572,680	3,982,172	6,625,570
Charge for the year	54,178	372,738	348,832	775,748
Disposals	-	(1,700)	(334,082)	(335,782)
At 30 June 2017	124,896	2,943,718	3,996,922	7,065,536
Net book value				
At 30 June 2017	533,475	1,032,943	2,412,764	3,979,182
At 30 June 2016	38,842	850,409	1,649,574	2,538,825

The net book value of assets held under hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	264,655	303,415
Motor vehicles	2,084,429	1,339,682
	<u>2,349,084</u>	<u>1,643,097</u>

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

12. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 July 2016	398,760
At 30 June 2017	<u>398,760</u>
Net book value	
At 30 June 2017	<u>398,760</u>
At 30 June 2016	<u>398,760</u>

Included in the above are investments held at valuation amounting to £389,760 (2016: £389,760), the original cost of these investments was £121,750 (2016: £121,750).

13. Stocks

	2017 £	2016 £
Fuel and spare parts	26,502	61,933
	<u>26,502</u>	<u>61,933</u>

14. Debtors

	2017 £	2016 £
Trade debtors	2,653,723	3,002,909
Amounts owed by group undertakings	556,564	1,015,839
Amounts owed by joint ventures	230,991	55
Other debtors	30,382	140,394
Prepayments and accrued income	408,448	440,351
	<u>3,880,108</u>	<u>4,599,548</u>

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

15. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	37,943	38,546
Trade creditors	1,177,219	1,543,253
Amounts owed to group undertakings	564,373	-
Corporation tax	23,996	806
Taxation and social security	239,916	221,302
Hire purchase contracts	537,967	396,974
Other creditors	262,821	1,125,615
Accruals and deferred income	481,473	158,829
	<u>3,325,708</u>	<u>3,485,325</u>

Hire purchase liabilities are secured on the assets to which they relate.

Bank loans are secured by a fixed and floating charge over the assets of the company.

16. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans	638,492	676,946
Hire purchase contracts	1,255,247	856,816
	<u>1,893,739</u>	<u>1,533,762</u>

Secured loans

Included in the above are loans repayable by installments after more than 5 years. The interest rate charged on these loans is 2.25% above the base rate.

Hire purchase liabilities are secured on the assets to which they relate.

Bank loans are secured by a fixed and floating charge over the assets of the company.

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

17. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	37,943	38,546
	<u>37,943</u>	<u>38,546</u>
Amounts falling due 1-2 years		
Bank loans	37,324	37,943
	<u>37,324</u>	<u>37,943</u>
Amounts falling due 2-5 years		
Bank loans	601,168	639,003
	<u>601,168</u>	<u>639,003</u>
	<u>676,435</u>	<u>715,492</u>

18. Hire purchase contracts

Minimum payments due under hire purchase contracts are as follows:

	2017 £	2016 £
Within one year	537,967	396,974
Between 1-2 years	440,885	332,166
Between 2-5 years	814,362	524,650
	<u>1,793,214</u>	<u>1,253,790</u>

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

19. Deferred taxation

	2017 £	2016 £
At beginning of year	(172,189)	(134,985)
Charged to profit and loss	(3,660)	(37,204)
At end of year	<u>(175,849)</u>	<u>(172,189)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(150,276)	(144,637)
Tax losses carried forward	6,491	4,981
Unrealised gain on fixed assets	(36,769)	(39,985)
Other timing difference	4,705	7,452
	<u>(175,849)</u>	<u>(172,189)</u>

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

20. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
12,780 Ordinary shares of £1 each	12,780	12,780

21. Contingent liabilities

The company is a party to a cross guarantee with C S Ellis (Holdings) Limited, Versatile Venues Limited and Pacwolf Fulfilment Limited, relating to certain debt facilities. At 30 June 2017, borrowings of £3.19 million (2016: £3.43 million) were covered by this guarantee.

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £85,117 (2016 - £34,627). Contributions totalling £19,449 (2016 - £6,063) were payable to the fund at the balance sheet date and are included within creditors.

23. Commitments under operating leases

At 30 June 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	929,314	974,764
Later than 1 year and not later than 5 years	2,576,604	2,743,194
Later than 5 years	3,937,324	4,760,785
	<u>7,443,242</u>	<u>8,478,743</u>

C S ELLIS (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

24. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 section 33 "Related Party Disclosures" not to disclose transactions with other group entities.

Sales of £671,267 (2016 - £562,362) were made to Ellis White's LLP, an entity which is a joint-venture of the company, and £230,991 (2016 - 183,560) was owed by the LLP at the year end. The company is one of the two partners in the LLP.

Purchases of £7,664 (2016 - £7,229) and sales of £10,261 (2016 - £3,403) were made from/to Rutland Worldwide Freight Limited, an entity in which the company holds an investment. At the year end £2,484 (2016 - £665) and £2,675 (2016 - £2,783) was owed to/from the Company.

Purchases of £45,561 (2016 - £49,697) and sales of £936 (2016 - £380) were made from/to Welland Vale (Holdings) Limited, a company in which T C Ellis is a director. At the year end £23,235 (2016 - £28,040) and £Nil (2016 - £92) was owed to/from the company.

Purchases of £294,898 (2016 - £281,976) and sales of £492,471 (2016 - £313,846) were made from/to Palletline Plc, a company in which T C Ellis is a director. At the year end £62,035 (2016 - £32,544) and £27,240 (2016 - £34,990) was owed to/from the company.

25. Ultimate and immediate parent company

The ultimate and immediate parent company is C S Ellis (Holdings) Limited, a company incorporated and registered in England and Wales. The largest and smallest group in which the consolidated results of the company are available is headed by C S Ellis (Holdings) Limited. Copies are available from Companies House.

26. Controlling party

The directors consider the ultimate controlling party to continue to be T C Ellis by virtue of a majority holding of the ordinary share capital in the ultimate parent company.