

**EAST CAMBS TRADING COMPANY LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2020

# EAST CAMBS TRADING COMPANY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P J Remington J Hill E L Grima C G J Roberts (resigned 2 May 2019) A M Bailey (resigned 7 October 2019) D Ambrose-Smith (appointed 30 May 2019, resigned 7 October 2019)
<b>Company number</b>	10061867
<b>Registered office</b>	The Grange Nutholt Lane Ely Cambridgeshire CB7 4EE
<b>Auditors</b>	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ

# EAST CAMBS TRADING COMPANY LIMITED

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# **EAST CAMBS TRADING COMPANY LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

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The Directors present their report and the audited financial statements of the company for the year ended 31 March 2020

### **Directors**

The Directors who served during the year were:

P J Remington

J Hill

E L Grima

C G J Roberts (resigned May 2<sup>nd</sup> 2019)

A M Bailey (resigned October 7<sup>th</sup> 2019)

D Ambrose-Smith (appointed May 30<sup>th</sup> 2019, resigned October 7<sup>th</sup> 2019)

### **Statement of directors' responsibilities**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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 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;
- 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **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.

# EAST CAMBS TRADING COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

### Auditors

The auditors, Price Bailey LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report was approved by the board on 03/09/20..... and signed on its behalf.



J Hill  
Director

# **EAST CAMBS TRADING COMPANY LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EAST CAMBS TRADING COMPANY LIMITED**

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### **Opinion**

We have audited the financial statements of East Cambs Trading Company Limited (the 'company') for the year ended 31 March 2020 which comprise The Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of the loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- 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.

### **Material uncertainty relating to going concern**

We draw attention to note 1.2 in the financial statements, which describes the directors' assessment of the current and future effects of the COVID-19 pandemic on the company. As stated in note 1.2, since the pandemic started the company's trading has been affected due to the restrictions imposed by the UK Government resulting in a delay in cash flows. Mitigating action has been taken with loans being re-negotiated to ease cash flow concerns. However the effects of COVID-19 are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. Our opinion is not modified in respect of this matter.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included 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.

# **EAST CAMBS TRADING COMPANY LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF EAST CAMBS TRADING COMPANY LIMITED**

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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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has 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 Director's Report.

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; or
- the Directors were not entitled to take advantage of the small companies exemptions in preparing the Director's Report and from the requirement to prepare a Strategic Report.

### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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.

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 Auditor's Report.

# **EAST CAMBS TRADING COMPANY LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF EAST CAMBS TRADING COMPANY LIMITED**

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### **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.



Paul Cullen FCCA (Senior Statutory Auditor)  
for and on behalf of Price Bailey LLP  
Chartered Accountants & Statutory Auditors  
Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ

Date: 15.09.20



# EAST CAMBS TRADING COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

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	Notes	2020 £	Restated 2019 £
<b>CONTINUING OPERATIONS</b>			
Revenue from services		1,206,464	1,185,584
Revenue from construction contracts		-	22,336
Revenue from property development		2,185,935	4,896,223
Grant income		-	520,000
		<u>3,392,399</u>	<u>6,624,143</u>
Cost of sales		<u>(2,867,124)</u>	<u>(5,055,064)</u>
<b>Gross profit</b>		525,275	1,569,079
Administrative expenses		<u>(954,422)</u>	<u>(898,636)</u>
<b>Operating profit/(loss)</b>		(429,147)	670,443
Interest receivable		-	417
Interest payable	5	<u>(84,013)</u>	<u>(12,359)</u>
<b>Profit/(Loss) before taxation</b>		(513,160)	658,501
Tax on profit	6	-	-
<b>Profit/(Loss) and total comprehensive income for the year</b>		<u><u>(513,160)</u></u>	<u><u>658,501</u></u>

There were no recognised gains and losses from 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 11-30 form part of these financial statements. Refer to note 23 for detailed information on restatement of comparatives – adoption of IFRS 16 'Leases'.

# EAST CAMBS TRADING COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

		2020	Restated 2019	Restated 1 April 2018
	Notes	£	£	£
<b>Non-current assets</b>				
Property, plant and equipment	7	120,898	134,190	-
Right to use asset	8	263,063	307,464	210,328
		<u>383,961</u>	<u>441,654</u>	<u>210,328</u>
<b>Current assets</b>				
Inventories	9	30,341,716	3,121,683	3,348,472
Trade and other receivables	10	276,638	255,373	330,460
Cash at bank and in hand	11	88,740	1,411,785	34,187
		<u>30,707,094</u>	<u>4,788,841</u>	<u>3,713,119</u>
<b>Current Liabilities</b>				
Trade and other payables	12	(741,660)	(350,720)	(1,279,258)
Financial liabilities - borrowings	13	(7,833,842)	-	-
Lease liabilities	14	(41,050)	(45,041)	(23,704)
		<u>(8,616,552)</u>	<u>(395,761)</u>	<u>(1,302,962)</u>
<b>Net Current Assets</b>		22,090,542	4,393,080	2,410,157
<b>Total assets less current liabilities</b>		22,474,503	4,834,734	2,620,485
<b>Non-Current Liabilities</b>				
Financial Liabilities – borrowings	13	(22,813,978)	(4,620,000)	(3,145,000)
Lease liabilities	14	(233,007)	(274,056)	(193,308)
		<u>(23,046,985)</u>	<u>(4,894,056)</u>	<u>(3,338,308)</u>
<b>Net liabilities</b>		<u>(572,482)</u>	<u>(59,322)</u>	<u>(717,823)</u>
<b>Equity</b>				
Called up share capital	16	1	1	1
Retained earnings		(572,483)	(59,323)	(717,824)
		<u>(572,482)</u>	<u>(59,322)</u>	<u>(717,823)</u>

# EAST CAMBS TRADING COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 MARCH 2020

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

J Hill   
Director  
Date: 08/04/20

The notes on pages 11-30 form part of these financial statements. Refer to note 23 for detailed information on restatement of comparatives – adoption of IFRS 16 'Leases'.

# EAST CAMBS TRADING COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

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	Share Capital £	Retained earnings £	Total equity £
<b>Balance as at 31 March 2018</b>	1	(711,140)	(711,139)
Adjustment for change in accounting policy (note 23)	-	(6,684)	(6,684)
<b>Balance as at 31 March 2018 - restated</b>	1	(717,824)	(717,823)
<b>Comprehensive income</b>			
Profit for the year	-	658,501	658,501
<b>Total comprehensive income</b>	-	658,501	658,501
<b>Balance as at 31 March 2019</b>	1	(59,323)	(59,322)

Refer to note 23 for detailed information on Restatement of comparatives - adoption of IFRS 16 'Leases'.

<b>Comprehensive income</b>			
Loss for the year	-	(513,160)	(513,160)
<b>Total comprehensive income</b>	-	(513,160)	(513,160)
<b>Balance as at 31 March 2020</b>	1	(572,483)	(572,482)

# EAST CAMBS TRADING COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

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		2020		Restated 2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Net cash outflow from operating activities	20	(26,595,888)		1,020,361	
<b>Net cash inflow from operating activities</b>			(26,595,888)		1,020,361
<b>Cash flows from investing activities</b>					
Purchase of fixed assets	7		(36,886)		(146,264)
Disposal of fixed assets	7		15,035		-
<b>Cash flows from financing activities</b>					
Interest received			-		417
Interest paid	5	(688,086)		(258,212)	
Repayment of leasing liabilities	24	(45,040)		(23,704)	
Loans advanced	24	27,727,820		1,475,000	
Loans repaid	24	(1,700,000)		(690,000)	
<b>Net cash from financing activities</b>			25,294,694		503,501
<b>Net increase in cash and cash equivalents</b>			(1,323,045)		1,377,598
<b>Cash and cash equivalents at beginning of year</b>					
			1,411,785		34,187
<b>Cash and cash equivalents at end of year</b>					
	11		88,740		1,411,785

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# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 1. Accounting policies

#### 1.1 Statutory information

East Cambs Trading Company Limited is a private company limited by shares incorporated and domiciled in England and Wales, United Kingdom. The address of the registered office is The Grange, Nutholt Lane, Ely, Cambridgeshire, CB7 4EE.

The company is primarily involved in property development and management of council services.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

#### 1.2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the statement of financial position date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are discussed below.

##### **Critical accounting judgements:**

Critical judgements, apart from those involving estimations, that are applied in the preparation of the consolidated financial statements are discussed below:

##### **Going concern including liquidity**

In the light of the rapidly escalating COVID-19 pandemic the directors have considered whether any adjustments are required to reported amounts in the financial statements. As at the 31 March 2020 reporting date, the global pandemic had just been declared.

Although the grounds maintenance division has been unaffected by the pandemic, Ely Market closed in late March and was unable to re-open until June 2020 due to the restrictions imposed by UK Government. However, the Company was eligible for a grant and the suspension of business rates payable on the Market Square which mitigated the loss of revenue. The property development division of the company has also been affected by restrictions imposed by the UK Government in response to the COVID-19 pandemic. This has affected both development work and the Company's ability to complete on property sales. This has resulted in a delay in cash flows.

The company successfully negotiated amended terms to its loans with Cambridgeshire & Peterborough Combined Authority. The amended terms include interest-free periods and most importantly agreement that the loans would not be due for repayment until March 2023. It has also secured a new facility from East Cambridgeshire District Council that will be available in March 2021 and will enable the Company to repay its existing loan to the council and have sufficient funds to continue its projects. This loan will be due for repayment in 2023.

The Directors have prepared cash flow forecasts for a period of 12 months from the year end which cover various scenarios which demonstrate that the cash reserves of the company will be sufficient for it to be able to continue as a going concern during restrictions and once restrictions are fully lifted. However there is a level of uncertainty over the level of sales demands once restrictions have ended which could affect this assessment.

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 1. Accounting policies (continued)

#### 1.2 Critical accounting estimates and judgements

The developing situation with respect to COVID-19 does give rise to some uncertainty around going concern, however management are satisfied that the mitigating factors are sufficient to address downside scenarios and support the going concern judgement.

The financial statements do not contain any adjustments that would be required if the company were not able to continue as a going concern.

#### **Leases – discount rate**

Under IFRS 16, the Company recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. Management have made a judgement to use a portfolio approach when estimating an incremental borrowing rate.

As a result of the significant impact the transition to IFRS 16 has had on the Company's statement of financial position (£263,063 right-of-use asset (2019: £307,463) and £274,057 lease liability (2019: £319,096) recognised as at 31 March 2020), the portfolio approach to estimating the incremental borrowing rate is considered to be a significant judgement.

The incremental borrowing rate is determined on a portfolio basis, the most significant portfolio being the lease of properties. Judgement has been used to determine that a portfolio basis is appropriate on a basis. As the Company has agreed borrowings for general purposes at a rate of 5.22%, this has been determined as the borrowing rate of the lease.

Refer to note 14 for additional disclosures relating to leases held by the Company.

#### **Key sources of estimation uncertainty:**

The key assumptions about the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are detailed below.

#### **The valuation of work in progress and allocation of costs to each period**

Costs directly attributable to the projects have been included in the work in progress figure accordingly. When calculating the work in progress the directors consider the stage of completion of the project and the likelihood of all costs being recovered, applying this in accordance with applicable framework.

#### **Lease term**

Under IFRS 16, the Company recognises a right-of-use asset for its depot. A level of estimating is involved in determining the likelihood of exercising break or extension options included within the leases when determining the lease term. Break and extension options are included to provide operational flexibility should the economic outlook for an asset be different to expectations and are especially key when considering the short maturity of the Company's depot. As a result, Management have made an estimate that at commencement of the lease, break or extension options are not typically considered reasonably certain to be exercised when determining the lease term, unless there is a valid business reason otherwise. Instead as the lease approaches maturity the estimate of term considering the extension and break options will be considered at the point where Management are able to make a reasonable estimate.

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 1. Accounting policies (continued)

#### 1.2 Critical accounting estimates and judgements (continued)

Refer to note 14 for additional disclosures relating to leases held by the Company.

##### **Useful lives of depreciable assets**

Estimates have been made in respect of useful economic lives of property, plant and equipment, which determine the amount of depreciation charged in profit or loss. Uncertainties in these estimates relate to the technological obsolescence that may change the utility of plant and machinery and could result in a material change to the amount of depreciation recognised. These estimates are reviewed annually at the reporting date based on the expected utility of the assets.

Further detail on useful life estimates is included in the accounting policy note 1.6.

#### 1.3 Compliance with accounting standards

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to reporting entities under IFRS.

##### **Historical cost convention**

The financial statements have been prepared under the historical cost convention.

##### **Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.2.

#### 1.4 Revenue recognition

##### **Revenue from contracts with customers**

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods promised.

Further details on specifics relating to each revenue stream is listed below:



# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 1. Accounting policies (continued)

#### 1.4 Revenue recognition (continued)

##### **Grounds Maintenance Services**

The Company provides a grounds maintenance service predominantly to local authorities and educational establishments. For larger contracts invoices are issued on a monthly basis or as the work is completed for smaller contracts. Payment is usually received within a month of the invoice being issued.

##### **Markets**

The Company operates street markets on behalf of the local council and collects revenue from the individual stallholders. Invoices are issued on a weekly basis and payments are made via direct debits.

##### **Property Development**

The Company develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the company. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer. The revenue is measured at the transaction price agreed under the contract. The consideration is due when legal title has been transferred.

Revenue from a construction contract is recognised when:

- It is probable that the economic benefits associated with the contract will flow to the entity.
- The contract costs attributable to the contract can be clearly identifiable and measured reliably.

#### 1.5 Government grants

Government grants are recognised in Statement of Comprehensive Income on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. The grants are shown separately in the Statement of Comprehensive Income.

Grants are recognised in respect of the delivery of affordable housing projects.

#### 1.6 Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	25% straight line
Leasehold improvements	16.67% straight line
Office equipment	16.67% straight line
Computer equipment	33.33% straight line

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies (continued)

#### 1.7 Right-of-use assets

##### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

#### 1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Work in progress comprises direct materials, labour costs, site overheads, associated professional charges and other attributable overheads. Net realisable value represents the estimated selling price less costs to complete and sell.

At each year end, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 1.9 Trade and other receivables

Short term receivables are measured initially at transaction price, and are measured subsequently at amortised costs.

#### 1.10 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.

#### 1.11 Operating profit

Operating profit is stated before investment income and finance costs.

#### 1.12 Financial Instruments

Financial assets and liabilities are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

- Cash and cash equivalents comprise cash held at bank and short term deposits
- Trade payables are not interest bearing and are stated at their nominal value
- Trade receivables are measured initially at transaction price, and are measured subsequently at amortised costs.

# **EAST CAMBS TRADING COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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### **1. Accounting policies (continued)**

#### **1.13 Trade and other payables**

Short term payables are measured initially at fair value, and subsequently at amortised cost. 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.

#### **1.14 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **1.15 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 payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### **1.16 Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position.

#### **1.17 Lease Liabilities**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 1. Accounting policies (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

#### 1.18 Financed costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

#### 1.19 New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

The following new and revised Standards and Interpretations are relevant to the company but not yet effective for the year commencing 1 April 2019 and have not been applied in preparing these financial statements:

- IAS 1 Presentation of Financial Statements – classification of liabilities as current and non-current.
- IAS 1 and IAS 8 Accounting Policies – definition of materiality.
- IFRS 16 COVID-19 Related Rent Concessions Amendment

The Directors do not consider that the implementation of any of these new standards will have a material impact upon reported income or reported net assets.

The following Accounting Standards and Interpretations are most relevant to the company:

##### *IFRS 16 Leases*

The company has adopted IFRS 16 from 1 April 2018. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses IAS 17. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

The impact on the financial performance and position of the Company from the adoption of this Accounting Standard is detailed in note 23.

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 2. Operating profit

Operating profit is stated after charging

	2020 £	Restated 2019 £
Depreciation of owned fixed assets	35,542	12,074
Depreciation of right to use assets	44,401	36,064
Auditors' remuneration	16,065	15,750

### 3. Employees and directors

	2020 £	2019 £
Wages and Salaries	682,379	471,551
Social security	67,426	52,693
Other pension costs	57,734	58,454
	<u>807,539</u>	<u>582,698</u>

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

	2020	2019
Directors	4	5
Administration	17	11
	<u>21</u>	<u>16</u>

### 4. Directors' remuneration

	2020 £	2019 £
Directors' remuneration	12,000	12,000
Directors' pension contributions to a defined contribution pension scheme	1,240	960
	<u>13,240</u>	<u>12,960</u>

During the year 1 directors (2018 – 1) was accruing benefits under defined contribution pension schemes.

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 5. Finance costs

	2020 £	Restated 2019 £
Loan interest payable	68,734	-
Interest on leases	15,279	12,359
	<u>84,013</u>	<u>12,359</u>

Total loan interest payable in the year was £672,807 (2019: £245,853) of which £588,794 was charged to Work In Progress (2019: £245,853).

### 6. Income tax

#### Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 March 2020 nor the year ended 31 March 2019

#### Factors affecting the tax expense

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

	2020 £	Restated 2019 £
Profit (Loss) per accounts	<u>(513,160)</u>	<u>658,501</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(97,500)	125,115
Effects of: Losses carried forward	<u>97,500</u>	<u>(125,115)</u>
Tax expense	<u>-</u>	<u>-</u>

The company has estimated tax losses of £585,000 (2019 £54,000) to carry forward against future profits.

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 7. Property, plant and equipment

	Plant & Machinery	Leasehold Improvement	Office & computer Equipment	Total
<b>Cost</b>				
As at April 1 2018	-	-	-	-
Additions	19,071	35,526	91,667	146,264
Disposals	-	-	-	-
As at 31 March 2019	<u>19,071</u>	<u>35,526</u>	<u>91,667</u>	<u>146,264</u>
<b>Depreciation</b>				
As at April 1 2018	-	-	-	-
Charge for the year	533	1,402	10,139	12,074
On disposals	-	-	-	-
As at March 31 2019	<u>533</u>	<u>1,402</u>	<u>10,139</u>	<u>12,074</u>
<b>Net Book Value</b>				
As at March 31 2019	<u>18,538</u>	<u>34,124</u>	<u>81,528</u>	<u>134,190</u>
As at March 31 2018	-	-	-	-
<b>Cost</b>				
As at April 1 2019	19,071	35,526	91,667	146,264
Additions	28,499	497	7,890	36,886
Disposals	(14,535)	-	(500)	(15,035)
As at 31 March 2020	<u>33,035</u>	<u>36,023</u>	<u>99,057</u>	<u>168,115</u>
<b>Depreciation</b>				
As at April 1 2019	533	1,402	10,139	12,074
Charge for the year	4,235	6,017	25,290	35,542
On disposals	(303)	-	(96)	(399)
As at March 31 2020	<u>4,465</u>	<u>7,419</u>	<u>35,333</u>	<u>47,217</u>
<b>Net Book Value</b>				
As at March 31 2020	<u>28,570</u>	<u>28,604</u>	<u>63,724</u>	<u>120,898</u>
As at March 31 2019	<u>18,538</u>	<u>34,124</u>	<u>81,528</u>	<u>134,190</u>

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 8. Right-of-use assets

	Restated Land and Buildings	Restated Total
As at April 1 2018	210,328	210,328
Additions	126,187	126,187
Depreciation	(29,051)	(29,051)
As at March 31 2019	<u>307,464</u>	<u>307,464</u>
	Land and Buildings	Total
As at April 1 2019	307,464	307,464
Additions	-	-
Depreciation	(44,401)	(44,401)
As at March 31 2020	<u>263,063</u>	<u>263,063</u>

The Company leases land and buildings for its offices and market square under agreements of between 6 to 10 years with, in some cases, options to extend. On renewal, the terms of the leases are renegotiated.

Details of leasing liabilities are included within note 14.

### 9. Inventories

	2020 £	2019 £
Work in progress	<u>30,341,716</u>	<u>3,121,683</u>

The total amount of Work in progress recognised as an expense during the year was £2,104,826 (2019: £4,474,812)

Please refer to note 13 to see details of the amounts included in Work in progress which are pledged as security for loans.

### 10. Trade and other receivable

	2020 £	2019 £
Trade receivables	89,892	155,307
Other taxation	60,200	28,621
Other receivables	52,278	45,001
Prepayments and accrued income	74,268	26,444
	<u>276,638</u>	<u>255,373</u>



# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 11. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	88,740	1,411,785

### 12. Trade and other payable

	2020 £	2019 £
<b>Current</b>		
Trade payables	556,556	188,824
Other taxation and social security	43,221	30,968
Other payables	105,695	81,458
Accruals and deferred income	36,188	49,470
	<u>741,660</u>	<u>350,720</u>

### 13. Borrowings

	2020 £	2019 £
<b>Current:</b>		
Amounts owed to parent undertakings	4,220,000	-
Loans due within one year	3,613,842	-
	<u>7,833,842</u>	-
<b>Non-current</b>		
<b>Due 1 – 2 years:</b>		
Amounts owed to parent undertakings	-	4,620,000
Loans due after one year	13,924,053	-
	<u>13,924,053</u>	<u>4,620,000</u>
<b>Due 2 – 5 years:</b>		
Amounts owed to parent undertakings	-	-
Loans due after one year	8,889,925	-
	<u>8,889,925</u>	-
	<u>30,647,820</u>	<u>4,620,000</u>

The Cambridge and Peterborough Combined Authority (CPCA) hold security on the company's land at Haddenham and the former RAF service accommodation at the Ely MOD site in relation to loans outstanding to them at the year end. At the year end the total value of the Haddenham site is valued at £3,330,433 and the former RAF service accommodation at the Ely MOD site is valued at £25,405,795.

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 14. Lease Liabilities

	2020 £	Restated 2019 £
<b>Current:</b>		
Lease liability	41,050	45,041
<b>Non-current:</b>		
Lease liability	233,007	274,056
	<u>274,050</u>	<u>319,097</u>

Refer to note 15 for further information on financial instruments. Details of finance costs are included within note 5. Details of the right of use assets are included within note 8.

During the year Licence fees relating to a Licence to Occupy, which is not disclosed under IFRS 16, totalled £30,000 (2019: £20,000).

### 15. Financial Instruments

#### Financial assets and liabilities

The carrying value of the company's financial assets and liabilities as recognised at the year end of the years under review may also be categorised as follows:

	Financial assets at amortised cost £	Financial liabilities at amortised cost £	Total carrying amount £
<b>As 31 March 2020</b>			
Cash and cash equivalents	88,740	-	88,740
Trade receivables	89,892	-	89,892
Other receivables	126,546	-	126,546
Loans	-	(30,647,821)	(30,647,821)
Trade payables	-	(556,556)	(556,556)
Other payables - current	-	(141,881)	(141,881)
Total	<u>305,178</u>	<u>(31,346,258)</u>	<u>(31,041,080)</u>
	Financial liabilities at amortised cost £	Financial liabilities at amortised cost £	Total carrying amount £
<b>As 31 March 2019</b>			
Cash and cash equivalents	1,411,785	-	1,411,785
Trade receivables	155,307	-	155,307
Other receivables	71,445	-	71,445
Loans	-	(4,620,000)	(4,620,000)
Trade payables	-	(188,824)	(188,824)
Other payables - current	-	(130,928)	(130,928)
Total	<u>1,638,537</u>	<u>(4,939,752)</u>	<u>(3,301,215)</u>

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 15. Financial Instruments (continued)

#### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and balances at financial institutions.

The company's exposure to credit risk in the property development division is limited as title to any property sold does not pass until funds are received.

For the grounds maintenance division, the major customer is a local authority and the sole shareholder of the company so the risk is perceived to be low. The remaining customers are predominantly also local authorities.

For the markets division, the customers are individual market stall vendors and each debt is relatively small. Most vendors have been trading with the company, and its local authority predecessor for a number of years.

The company held cash and cash equivalents of £88,740 at 31 March 2020 (£1,411,785 at 31 March 2019). The cash and cash equivalents are held at NatWest Bank which is rated A- to A at leading credit rating agencies and so the company considers these to have a low credit risk.

#### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

	Less than one year	More than one year	Total
	£	£	£
<b>2020</b>			
Trade and other payables	741,660	-	741,660
Borrowings	7,833,842	22,813,978	30,647,820
	<u>8,575,502</u>	<u>22,813,978</u>	<u>31,389,480</u>

	Less than one year	More than one year	Total
	£	£	£
<b>2019</b>			
Trade and other payables	350,720	-	350,720
Borrowings	-	4,620,000	4,620,000
	<u>350,720</u>	<u>4,620,000</u>	<u>4,970,720</u>

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 15. Financial Instruments (continued)

#### Fair values

The carrying amounts of all financial assets and liabilities of the company as disclosed in the notes to the financial information are approximately their fair values.

#### Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital with an appropriate level of leverage for the size of the business so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to maintain or adjust the capital structure, the company may return capital to shareholders, issue new shares or sell assets to reduce debt.

On initial application of IFRS 9, the company has not recognised any additional impairment allowance at the start or during the financial year due to the low level of credit risk it is exposed to.

### 16. Share capital

	2020 £	2019 £
<b>Share classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

### 17. Pension commitments

The company operates a defined contribution 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 £49,601 (2019 - £58,454).

Contributions totalling £9,294 (2019 - £4,528) were payable to the fund at the year end and are included in creditors.

### 18. Related Party Transactions

In line with paragraph 25 of IAS24, the company has taken advantage of the exemption from the requirement to disclose transactions with East Cambridgeshire District Council (ECDC) and connected companies due to the control exercised by ECDC by virtue of it being the only shareholder.

The company has loans of £4,220,000 (2019 £4,620,000) which were initially due to ECDC on March 31 2021 and lent at an interest rate fixed at 5.22%. Due to Covid19 delaying the sale of properties, after the year-end (July 2020) a new loan was agreed that will enable the original loan to be repaid. The new loan will have an interest rate fixed at 3.5%

### 19. Details of Parent Undertaking

The ultimate parent undertaking is East Cambridgeshire District Council, registered address The Grange, Nutholt Lane, Ely, Cambridgeshire, CB7 4EE

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 20. Note to the cash flow statement

	2020 £	Restated 2019 £
Profit / (Loss) before tax	(513,160)	658,501
Depreciation	79,544	40,727
Interest received	-	(417)
Interest expense (including charge to inventories)	688,086	258,214
	<u>254,470</u>	<u>957,025</u>
Decrease/(Increase) in inventories	(27,220,033)	226,787
Decrease/(Increase) in trade and other receivables	(21,265)	75,087
(Decrease)/Increase in trade and other payables	390,940	(238,538)
<b>Net cash outflow from operating activities</b>	<u><u>(26,595,888)</u></u>	<u><u>1,020,361</u></u>

### 21. Reserves

The following is a description of each of the reserve accounts that comprise equity shareholders' funds:

Share capital	The share capital comprises the issued ordinary shares of the company at par.
Retained earnings	Retained earnings comprise the Company's cumulative accounting profits and losses since inception.

### 22. Events after the reporting period

Subsequent to the reporting date, the existence of the infectious disease COVID-19 ('Coronavirus') has become widely known, and begun to rapidly spread throughout the world, including the UK. The Company considers this to be a non-adjusting event after the reporting date. Since the reporting date this has caused increasing disruption to populations, to business and economic activity. See note 1.2 of these financial statements. As this situation is rapidly developing, it is not yet practicable to estimate the potential impact this may have on the Company.

The company has loans of £4,220,000 (2019 £4,620,000) which were initially due to ECDC on March 31 2021 and lent at an interest rate fixed at 5.22%. Due to Covid19 delaying the sale of properties, after the year-end (July 2020) a new loan was agreed that will enable the original loan to be repaid. The new loan will have an interest rate fixed at 3.5%.

The two loans from the Cambridge and Peterborough Combined Authority (CPCA) in relation to the Haddenham and the Ely MOD site, which were initially due to CPCA on March 31 2021 and 31 July 2021 have been extended in an effort to aid the company's cash flow due to the negative effects of COVID 19. These loans were extended in August 2020 and provided interest free periods.

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 22. Events after the reporting period (continued)

No other matter or circumstance has arisen since 31 March 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

### 23. Restatement of comparatives – adoption of IFRS 16 'Leases'

#### Adoption of IFRS 16 'Leases'

The Company has adopted IFRS 16 'Leases' from 1 April 2019, using the full retrospective approach to restatement. The restatement to comparatives of the statement of profit or loss and other comprehensive income for the period ended 31 March 2019 and the statement of financial position as at 31 March 2019 and as 1 April 2018 is as follows:

- Additional lease liability of £319,097 was recognised (current £45,041 and non-current £274,056) (discounted based on the weighted average incremental borrowing rate of 5.22%) as at 31 March 2019 (1 April 2018: £217,012; current £23,704 and non-current £193,308);
- Right-of-use asset of £307,464 was recognised as at 31 March 2019 (1 April 2018: £210,328);
- Depreciation of £52,420 was recognised against the right-of-use asset as at 31 March 2019 (1 April 2018: £23,370);
- Lease payments of £36,064 (1 April 2018: £27,500) were reclassified from other expenses to principal repayments of lease liabilities and finance costs of £12,359 (1 April 2018: £11,719);
- The overall impact on total equity as at 31 March 2019 was a decrease of £18,317 comprising of a reduction to opening retained profits of £6,684 as at 1 April 2018.

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 23. Restatement of comparatives – adoption of IFRS 16 ‘Leases’ (continued)

Statement profit or loss and other comprehensive income

	2019 Reported £	Adjustment £	2019 Restated £
<b>Extract</b>			
Administrative expenses	(906,046)	7,410	(898,636)
<b>Operating profit/(loss)</b>	663,033	7,410	670,443
Interest payable	-	(12,359)	(12,359)
<b>Profit/(Loss) before taxation</b>	663,450	(4,949)	658,501
Tax on profit	-	-	-
<b>Profit/(Loss) and total comprehensive income for the year</b>	663,450	(4,949)	658,501

Statement of financial position at the beginning of the first comparative period

	1 April 2019 Reported £	Adjustment £	1 April 2019 Restated £
<b>Extract</b>			
<b>Non-current assets</b>			
Right to use asset	-	307,464	307,464
<b>Current Liabilities</b>			
Lease liabilities due within one year	-	(45,041)	(45,041)
<b>Net Current Assets</b>	4,438,121	(45,041)	4,393,080
<b>Total assets less current liabilities</b>	4,572,311	262,423	4,834,734
<b>Non-Current Liabilities</b>			
Lease liabilities	-	(274,056)	(274,056)
<b>Net liabilities</b>	(47,689)	(11,633)	(59,322)

# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 23. Restatement of comparatives – adoption of IFRS 16 ‘Leases’ (continued)

	1 April 2019 Reported	Adjustment	1 April 2019 Restated
<b>Equity</b>			
Called up share capital	1	-	1
Retained earnings	(47,690)	(11,633)	(59,323)
	<u>(47,689)</u>	<u>(11,633)</u>	<u>(59,322)</u>

Statement of financial position at the beginning of the earliest comparative period

	1 April 2018 Reported £	Adjustment £	1 April 2018 Restated £
<b>Extract</b>			
<b>Non-current assets</b>			
Right to use asset	-	210,328	210,328
<b>Current Liabilities</b>			
Lease liabilities due within one year	-	(23,704)	(23,704)
<b>Net Current Assets</b>	2,433,861	(23,704)	2,410,157
<b>Total assets less current liabilities</b>	2,433,861	186,624	2,620,485
<b>Non-Current Liabilities</b>			
Lease liabilities	-	(193,308)	(193,308)
<b>Net liabilities</b>	<u>(711,139)</u>	<u>(6,684)</u>	<u>(717,823)</u>
<b>Equity</b>			
Called up share capital	1	-	1
Retained earnings	(711,140)	(6,684)	(717,824)
	<u>(711,139)</u>	<u>(6,684)</u>	<u>(717,823)</u>



# EAST CAMBS TRADING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 24. Changes in liabilities arising from financing activities

	Lease liability £	Bank loans £	Total £
Balance at 1 April 2018	217,012	3,835,000	4,052,012
Net cash used in financing activities	(23,704)	(690,000)	(713,704)
Acquisition of leases	125,788	-	125,788
Loan advance	-	1,475,000	1,475,000
	<hr/>	<hr/>	<hr/>
Balance at 1 April 2019	319,096	4,620,000	4,939,096
Net cash used in financing activities	(45,040)	(1,700,000)	(1,745,040)
Acquisition of leases	-	-	-
Loan advance	-	27,727,820	27,727,820
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	<u>274,056</u>	<u>30,647,820</u>	<u>30,921,876</u>

Registration No. 10061867

**EAST CAMBS TRADING COMPANY LIMITED**

**DETAILED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

# EAST CAMBS TRADING COMPANY LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

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	<b>2020</b> £	<b>Restated</b> <b>2019</b> £
Turnover	3,392,399	6,624,143
Cost of sales	(2,867,124)	(5,055,064)
<b>GROSS PROFIT</b>	<u>525,275</u>	<u>1,569,079</u>
<b>LESS: OVERHEADS</b>		
Administrative expenses	(954,422)	(898,636)
<b>OPERATING PROFIT/(LOSS)</b>	<u>(429,147)</u>	<u>670,445</u>
Interest receivable	-	417
Interest payable	(84,013)	(12,359)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<u>(513,160)</u>	<u>658,501</u>
Tax on profit	-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<u><u>(513,160)</u></u>	<u><u>658,501</u></u>

# EAST CAMBS TRADING COMPANY LIMITED

## SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>		
Ely market management income	202,155	208,704
Project management fees and other services	83,957	109,220
Parks and open spaces management income	920,352	867,660
Car park construction	-	22,336
Property Development	2,185,935	5,416,223
	<u>3,392,399</u>	<u>6,624,143</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Cost of sales</b>		
Ely market and parks and open spaces costs	645,173	652,223
Project management and other services costs	5,555	-
Cost of car park construction	-	22,545
Property development costs	2,216,396	4,380,296
	<u>2,867,124</u>	<u>5,055,064</u>

	<b>2020</b>	<b>Restated 2019</b>
	<b>£</b>	<b>£</b>
<b>Administration expenses</b>		
Directors national insurance	625	493
Directors salaries	12,000	12,000
Directors' pension costs	1,320	1,200
Staff salaries	399,264	308,628
Staff national insurance	67,426	52,693
Staff pension costs	44,514	58,454
Staff training	6,183	5,991
Recruitment fees	3,455	30,082
Motor running costs	44,739	46,037
Entertainment	693	-
Travel and subsistence	5,158	4,046
Consultancy	15,260	34,867
Printing and stationery	5,214	10,338
Postage	96	166
Telephone and fax	6,773	1,611
Computer costs	10,736	2,983
General office expenses	7,889	4,356
Advertising and promotion	7,549	9,351
Trade subscriptions	9,012	6,527
Legal and professional	6,141	14,023
Auditors' remuneration	20,715	31,528
Equipment hire	16,513	18,996
Bank charges	344	284
Sundry expenses	8,428	8,536
Rent	3,056	10,941
Licence fee	30,000	20,000
Light and heat	-	1,480
Water	1,083	841

# EAST CAMBS TRADING COMPANY LIMITED

## SCHEDULE TO THE DETAILED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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Management charge	92,950	87,981
Insurances	21,661	24,614
Repairs and maintenance	26,019	48,465
Depreciation	79,606	41,124
	<hr/>	<hr/>
	954,422	898,636
	<hr/> <hr/>	<hr/> <hr/>

	<b>2020</b>	<b>2019</b>
<b>Interest receivable</b>	<b>£</b>	<b>£</b>
Interest receivable	-	417
	<hr/> <hr/>	<hr/> <hr/>

	<b>2020</b>	<b>Restated</b>
<b>Interest payable</b>	<b>£</b>	<b>2019</b>
		<b>£</b>
Loan interest payable	68,734	-
Lease interest	15,279	12,359
	<hr/>	<hr/>
	84,013	12,359
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