
ILECSYS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

TUESDAY



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COMPANIES HOUSE

ILECSYS LIMITED

COMPANY INFORMATION

DIRECTORS

G Tipson
M E Harris
J W Allen (appointed 15 January 2015)

COMPANY SECRETARY

M J Twomey

REGISTERED NUMBER

03426701

REGISTERED OFFICE

Unit 4b
Tring Industrial Estate
Upper Icknield Way
Tring
Hertfordshire
HP23 4JK

INDEPENDENT AUDITOR

Hillier Hopkins LLP
Chartered Accountants & Statutory Auditor
Ardenham Court
Oxford Road
Aylesbury
Buckinghamshire
HP19 8HT

ILECSYS LIMITED

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ILECSYS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report for the year ended 31 December 2014.

The company's principal activities during the year were:

- the supply of electrical control products to the manufacturing industry and wholesale markets from branches within the UK
- the provision of engineering services to customise electrical enclosures and manufacture bespoke goods, including ATEX approved products

BUSINESS REVIEW

Sales increased by £676k (7.8%) over the 2013 outcome.

In October 2013, the assets and goodwill of RB Punching Services Limited were acquired; additional sales in the year, as a result of this acquisition, were £0.7m (2013 - £0.2m).

An associated company, Ilecys Rail Ltd., which commenced trading on 1st July 2013, provides electrical control products and trackside equipment to the rail industry. Ilecys and Ilecys Rail share expertise, systems and administrative costs.

Gross profit percentage reduced by 0.6% but administrative expenses reduced by £232k, mainly due to there being a full year of costs recharged to Ilecys Rail. As a result of that reduction, and increased sales, pretax profits were up 70% to £982k (2013 - £577k)

OBJECTIVES

The company will continue to seek growth in both its Distribution and Engineering activities by focused sales targeting, and investment in modern machinery.

Investment in systems, procedures and controls will be implemented to yield efficiencies and quality improvements.

PRINCIPAL RISKS AND UNCERTAINTIES

The company has a broad customer and supplier base and believes there is no major risk to its objectives from dependence on any one of its trading relationships. Management will continue to re-assess possible areas of risk and take action to mitigate their affect should they arise.

FINANCIAL KEY PERFORMANCE INDICATORS

During the year the company achieved all of its objectives as measured by the KPIs used:

	2014 £'000	2013 £'000
Turnover	9,353	8,678
Gross Profit	2,950	2,786
Administrative expenses	1,988	2,220
Net current assets	1,986	1,496
Cash balances	669	100

ILECSYS LIMITED

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

FUTURE OUTLOOK

The company is confident that further growth in sales and profitability will be achieved in the coming year.

This report was approved by the board on *30th June 2015* and signed on its behalf.

M J Twomey
Secretary



ILECSYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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

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

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

PRINCIPAL ACTIVITIES

The principal activities of the company are described in the Strategic Report on page 1.

DIVIDENDS

A second interim dividend of £650 per share was paid on 17th December 2014. The Directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2014 will be £130,000.

DIRECTORS

The directors who served during the year were:

G Tipson
M E Harris

Mr James Allen was appointed as a Director on 15th January 2015 and remains a Director at the date of this report.

FUTURE DEVELOPMENTS

A summary of the outlook for the company is given within the Strategic Report on page 1.

ILECSYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

PRINCIPAL RISKS AND UNCERTAINTIES

Details of principal risks and uncertainties considered by the Directors to affect the company and related mitigation actions are given in the Strategic Report on page 1.

FINANCIAL INSTRUMENTS

The company has funded its operations through generation of profits during the year, and has required no external funding.

The main risks from the company's financial instruments are credit, liquidity and foreign exchange. The Directors review and agree policies for managing these risks as follows:

Credit risk

The company is exposed to credit risk primarily in respect of trade receivables, which are stated net of provision for bad debts. Exposure to this risk is mitigated by careful evaluation of credit limits offered, and procedures are in place to ensure that those limits are not exceeded without senior management authorization.

Liquidity

The Directors believe that further expansion of the business can be funded from future profits. Should that not be the case, funding is available from the company's bank.

Foreign exchange

The company purchases products from overseas suppliers who invoice in Euros. Such products represent only circa 5% of the total business, and any adverse fluctuation in exchange rates could be recovered in the flexibility of pricing that applies. The Directors nevertheless continue to monitor this risk closely.

REVIEW OF BUSINESS AND FUTURE OUTLOOK

The Profit and Loss Account for the year is set out on page 6.

A review of the financial performance is included in the Strategic Report on page 1.

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 that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *30th June 2015* and signed on its behalf.



M J Twomey
Secretary

ILECSYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ILECSYS LIMITED

We have audited the financial statements of iLECSYS Limited for the year ended 31 December 2014, set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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.

ILECSYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ILECSYS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.

Hillier Hopkins LLP

Neal Carter ACA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Ardenham Court
Oxford Road
Aylesbury
Buckinghamshire
HP19 8HT

29 July 2015

ILECSYS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	9,353,413	8,677,780
Cost of sales		(6,403,194)	(5,892,172)
GROSS PROFIT		2,950,219	2,785,608
Administrative expenses		(1,987,609)	(2,220,024)
Other operating income	3	20,713	11,249
OPERATING PROFIT	4	983,323	576,833
Interest receivable and similar income		75	62
Interest payable and similar charges	7	(909)	(92)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		982,489	576,803
Tax on profit on ordinary activities	8	(222,527)	(75,758)
PROFIT FOR THE FINANCIAL YEAR	19	759,962	501,045

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 10 to 21 form part of these financial statements.

ILECSYS LIMITED
REGISTERED NUMBER: 03426701

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	9		126,042		194,792
Tangible assets	10		412,929		407,084
Investment property	11		451,470		212,100
			<u>990,441</u>		<u>813,976</u>
CURRENT ASSETS					
Stocks	12	1,346,804		1,243,872	
Debtors	13	1,417,162		1,587,247	
Cash at bank and in hand		668,835		99,812	
		<u>3,432,801</u>		<u>2,930,931</u>	
CREDITORS: amounts falling due within one year	14	(1,446,386)		(1,434,842)	
NET CURRENT ASSETS			<u>1,986,415</u>		<u>1,496,089</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,976,856</u>		<u>2,310,065</u>
CREDITORS: amounts falling due after more than one year	15		(15,592)		(25,483)
PROVISIONS FOR LIABILITIES					
Deferred tax	16	(43,510)		(34,761)	
Other provisions	17	(37,971)		-	
			<u>(81,481)</u>		<u>(34,761)</u>
NET ASSETS			<u>2,879,783</u>		<u>2,249,821</u>
CAPITAL AND RESERVES					
Called up share capital	18		1		1
Profit and loss account	19		2,879,782		2,249,820
SHAREHOLDERS' FUNDS	20		<u>2,879,783</u>		<u>2,249,821</u>

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

30th June 2015

G Tipson
Director



The notes on pages 10 to 21 form part of these financial statements.

ILECSYS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	22	1,166,334	576,160
Returns on investments and servicing of finance	23	(834)	(30)
Taxation		(50,360)	(86,120)
Capital expenditure and financial investment	23	(404,953)	(460,377)
Equity dividends paid		(130,000)	(130,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		580,187	(100,367)
Financing	23	(11,164)	(14,466)
INCREASE/(DECREASE) IN CASH IN THE YEAR		569,023	(114,833)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
Increase/(Decrease) in cash in the year	569,023	(114,833)
Cash outflow from decrease in debt and lease financing	11,164	12,817
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	580,187	(102,016)
New finance lease	-	(31,740)
MOVEMENT IN NET DEBT IN THE YEAR	580,187	(133,756)
Net funds at 1 January 2014	68,072	201,828
NET FUNDS AT 31 DECEMBER 2014	648,259	68,072

The notes on pages 10 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration.

1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business in 2012 and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life of four years.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are 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:

Freehold property	-	Straight line over 10 years
Plant and machinery	-	33% reducing balance
Motor vehicles	-	25% straight line
Fixtures and fittings	-	33% reducing balance
Computer equipment	-	33% straight line

1.5 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

ILECSYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Stocks

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

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

ILECSYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2. TURNOVER

The whole of the turnover is attributable to one principal activity of the company.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	9,221,417	8,529,397
Rest of European Union	126,647	126,343
United States of America	-	14
Asia	4,412	19,044
Africa	937	2,982
	<u>9,353,413</u>	<u>8,677,780</u>

3. OTHER OPERATING INCOME

	2014 £	2013 £
Net rents receivable	9,280	2,406
Sundry income	11,433	8,843
	<u>20,713</u>	<u>11,249</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Amortisation - intangible fixed assets	68,750	68,750
Depreciation of tangible fixed assets:		
- owned by the company	154,360	151,712
- held under finance leases	5,878	8,817
Auditor's remuneration	8,000	7,700
Auditor's remuneration - non-audit	2,478	3,586
Operating lease rentals:		
- plant and machinery	36,937	52,694
- other operating leases	248,984	219,247
Difference on foreign exchange	(31,344)	(7,738)
Research and development expenditure written off	-	120
	<u></u>	<u></u>

ILECSYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

5. STAFF COSTS

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

	2014 £	2013 £
Wages and salaries	1,264,200	1,210,013
Social security costs	106,993	101,725
Other pension costs	32,564	21,517
	<u>1,403,757</u>	<u>1,333,255</u>

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

	2014 No.	2013 No.
Employees	<u>66</u>	<u>55</u>

6. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>38,988</u>	<u>38,561</u>
Company pension contributions to defined contribution pension schemes	<u>12,000</u>	<u>9,000</u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

7. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	<u>909</u>	<u>92</u>

ILECSYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	213,778	94,429
Adjustments in respect of prior periods	-	(44,394)
Total current tax	<u>213,778</u>	<u>50,035</u>
Deferred tax (see note 16)		
Origination and reversal of timing differences	<u>8,749</u>	<u>25,723</u>
Tax on profit on ordinary activities	<u><u>222,527</u></u>	<u><u>75,758</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - *lower than*) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>982,489</u>	<u>576,803</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	211,235	134,107
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,079	4,535
Capital allowances for year in excess of depreciation	(2,309)	(27,862)
Disposal of fixed assets	(108)	-
Adjustment for restriction of rental losses	-	1,479
Adjustment for legal fees being charged in line with amortisation of goodwill	-	(113)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(62,102)
Depreciation charged on assets not subject to capital allowances	-	2,477
Changes in provisions leading to an increase (decrease) in the tax charge	2,881	-
Marginal relief	-	(2,486)
Current tax charge for the year (see note above)	<u><u>213,778</u></u>	<u><u>50,035</u></u>

ILECSYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2014 and 31 December 2014	506,000
Amortisation	
At 1 January 2014	311,208
Charge for the year	68,750
At 31 December 2014	379,958
Net book value	
At 31 December 2014	126,042
<i>At 31 December 2013</i>	<i>194,792</i>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 January 2014	116,686	449,295	77,362	254,607	207,544	1,105,494
Additions	-	103,987	43,910	6,877	11,309	166,083
Disposals	-	-	(14,096)	-	-	(14,096)
At 31 December 2014	116,686	553,282	107,176	261,484	218,853	1,257,481
Depreciation						
At 1 January 2014	-	279,658	57,291	179,407	182,054	698,410
Charge for the year	-	91,208	22,424	27,359	19,247	160,238
On disposals	-	-	(14,096)	-	-	(14,096)
At 31 December 2014	-	370,866	65,619	206,766	201,301	844,552
Net book value						
At 31 December 2014	116,686	182,416	41,557	54,718	17,552	412,929
<i>At 31 December 2013</i>	<i>116,686</i>	<i>169,637</i>	<i>20,071</i>	<i>75,200</i>	<i>25,490</i>	<i>407,084</i>

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

	2014 £	2013 £
Plant and machinery	11,756	17,633

ILECSYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 January 2014	212,100
Additions at cost	239,370
At 31 December 2014	<u>451,470</u>

The 2014 valuations were made by the directors, on an open market value for existing use basis.

12. STOCKS

	2014 £	2013 £
Stock	<u>1,346,804</u>	<u>1,243,872</u>

13. DEBTORS

	2014 £	2013 £
Trade debtors	1,225,474	1,332,394
Amounts owed by group undertakings	79,076	101,746
Other debtors	15,991	70,455
Prepayments and accrued income	96,621	82,652
	<u>1,417,162</u>	<u>1,587,247</u>

**14. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	4,984	6,257
Trade creditors	876,864	916,126
Corporation tax	213,778	94,429
Other taxation and social security	223,604	175,393
Other creditors	91,458	193,914
Accruals and deferred income	35,698	48,723
	<u>1,446,386</u>	<u>1,434,842</u>

The hire purchase contracts are secured over the assets they relate to.

ILECSYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

15. CREDITORS:

Amounts falling due after more than one year

	2014	2013
	£	£
Net obligations under finance leases and hire purchase contracts	15,592	25,483

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014	2013
	£	£
Between one and five years	15,592	25,483

The hire purchase contracts are secured over the assets they relate to.

16. DEFERRED TAXATION

	2014	2013
	£	£
At beginning of year	34,761	9,038
Charge for year (P&L)	8,749	27,862
Other movement (P&L)	-	(2,139)
At end of year	43,510	34,761

The provision for deferred taxation is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	43,510	34,761

17. PROVISIONS

	Dilapidation provisions £
At 1 January 2014	-
Additions	37,971
At 31 December 2014	37,971

ILECSYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

18. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
100 Ordinary shares of £0.01 each	<u>1</u>	<u>1</u>

19. RESERVES

	Profit and loss account £
At 1 January 2014	2,249,820
Profit for the financial year	759,962
Dividends: Equity capital	(130,000)
At 31 December 2014	<u>2,879,782</u>

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	2,249,821	1,878,776
Profit for the financial year	759,962	501,045
Dividends (Note 21)	(130,000)	(130,000)
Closing shareholders' funds	<u>2,879,783</u>	<u>2,249,821</u>

21. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	<u>130,000</u>	<u>130,000</u>

ILECSYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	983,323	576,833
Amortisation of intangible fixed assets	68,750	-
Depreciation of tangible fixed assets	160,238	229,279
Profit on disposal of tangible fixed assets	(500)	-
Increase in stocks	(102,932)	(48,364)
Decrease/(increase) in debtors	103,347	(247,626)
Decrease in amounts owed by group undertakings	22,670	-
(Decrease)/increase in creditors	(106,533)	66,038
Increase in provisions	37,971	-
Net cash inflow from operating activities	1,166,334	576,160

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	75	62
Interest paid	(909)	(92)
Net cash outflow from returns on investments and servicing of finance	(834)	(30)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(166,083)	(248,277)
Sale of tangible fixed assets	500	-
Purchase of investment properties	(239,370)	(212,100)
Net cash outflow from capital expenditure	(404,953)	(460,377)

	2014 £	2013 £
Financing		
Repayment of loans	-	(12,817)
Repayment of finance leases	(11,164)	-
Amount introduced by directors	-	3,328
Amount withdrawn by directors	-	(4,977)
Net cash outflow from financing	(11,164)	(14,466)

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24. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	99,812	569,023	-	668,835
Debt:				
Debts due within one year	(6,257)	11,164	(9,891)	(4,984)
Debts falling due after more than one year	(25,483)	-	9,891	(15,592)
Net funds	68,072	580,187	-	648,259

25. 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 28,332 (2013 - £21,517). Contributions totalling £14,602 (2013 - £3,143) were payable to the fund at the balance sheet date and are included in creditors

26. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	-	-	2,212	-
Between 2 and 5 years	224,517	222,975	21,894	24,106

27. RELATED PARTY TRANSACTIONS

At the year end G Tipson, a director, was owed £56,935 (2013: £53,206) for transactions to include rent and dividends throughout the year.

At the year end M Harris, a director, was owed £6,377 (2013: £9,430) for transactions to include rent and dividends throughout the year.

During the year transactions occurred with Ilcysys Rail Limited, a company where G Tipson is a shareholder, for sales and recharges. At the year end Ilcysys Limited was due to receive £70,326 (2013: £101,746)

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28. CONTROLLING PARTY

The ultimate controlling party is G Tipson.