

REGISTERED NUMBER: 02996443 (England and Wales)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

FOR

IKM NETWORK COMMUNICATIONS LIMITED

Langdowns DFK Limited
Statutory Auditor
Fleming Court
Leigh Road
Eastleigh
Southampton
Hampshire
SO50 9PD



IKM NETWORK COMMUNICATIONS LIMITED (REGISTERED NUMBER: 02996443)

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FOR THE YEAR ENDED 31 MARCH 2017

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IKM NETWORK COMMUNICATIONS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

| | |
|----------------------------------|--|
| DIRECTOR: | Mr J W Jervis |
| SECRETARY: | Ms D Howe |
| REGISTERED OFFICE: | 32 Hampstead High Street London NW3 1JQ |
| BUSINESS ADDRESS: | Intec House St Nicholas Close Fleet Hampshire GU51 4JA |
| REGISTERED NUMBER: | 02996443 (England and Wales) |
| SENIOR STATUTORY AUDITOR: | Graham Taylor |
| AUDITORS: | Langdowns DFK Limited Statutory Auditor Fleming Court Leigh Road Eastleigh Southampton Hampshire SO50 9PD |

BALANCE SHEET
31 MARCH 2017

| | Notes | 2017 £ | 2016 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 5 | 41,728 | 28,283 |
| CURRENT ASSETS | | | |
| Stocks | | 2,957 | 5,497 |
| Debtors | 6 | 780,606 | 980,682 |
| Cash at bank | | 399,859 | 41,026 |
| | | <u>1,183,422</u> | <u>1,027,205</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 7 | 921,013 | 781,215 |
| NET CURRENT ASSETS | | <u>262,409</u> | <u>245,990</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>304,137</u> | <u>274,273</u> |
| CREDITORS | | | |
| Amounts falling due after more than one year | 8 | 318,000 | 353,000 |
| NET LIABILITIES | | <u>(13,863)</u> | <u>(78,727)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | 100 | 100 |
| Retained earnings | | (13,963) | (78,827) |
| SHAREHOLDERS' FUNDS | | <u>(13,863)</u> | <u>(78,727)</u> |

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 28/11/2017 and were signed by:


.....
Mr J W Dennis - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. STATUTORY INFORMATION

IKM Network Communications Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The company relies upon the support of their parent company, CTG Holdings Limited, through the use of inter-group loans and other credit facilities. The parent company will not demand repayment if it would be financially detrimental to the company.

Due to this ongoing support the director believes that it is appropriate to prepare the financial statements on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future and the financial statements do not incorporate any adjustments that might be required should the going concern basis prove to be inappropriate.

This is the first year that the company has presented its financial statements under Section 1A "Small Entities" of Financial Reporting Standard 102 (FRS 102 Section 1A) issued by the Financial Reporting Council. The last financial statements, for the year ended 31 March 2016, were prepared under previous UK GAAP. The transition date to FRS 102 Section 1A is therefore 1 April 2015.

Adopting FRS 102 Section 1A has not resulted in any changes to the company's existing accounting policies which were being applied prior to transition. There was no change to the reported profit and loss account or closing equity position of the business for the year ended 31 March 2016 as a result of the transition, nor to the opening equity position at the date of transition.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-------------------------------|--|
| Short Term Leasehold Property | - straight line over the term of the lease |
| Plant and machinery | - 33% straight line |
| Motor vehicles | - 33% straight line |
| Computer equipment | - 33% straight line |

All fixed assets are initially recorded at cost.

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

3. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating lease agreements

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company contributes to a defined contribution pension scheme. Contributions payable to the pension scheme are charged to the Income Statement in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement in administrative expenses.

Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contract are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Long-term contract balances comprise costs that included all direct material and labour costs incurred in bringing a contract to its state of completion at the year end. Provisions for estimated losses on contracts are made in the period in which such losses are foreseen.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 13 (2016 - 13).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

5. TANGIBLE FIXED ASSETS

| | Short Term Leasehold Property £ | Plant and machinery £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|---|-----------------------------|------------------------|----------------------------|-------------|
| COST | | | | | |
| At 1 April 2016 | 2,752 | 86,374 | 13,625 | 27,459 | 130,210 |
| Additions | - | 7,820 | 18,000 | 3,241 | 29,061 |
| Disposals | - | (4,030) | (7,525) | (2,132) | (13,687) |
| At 31 March 2017 | 2,752 | 90,164 | 24,100 | 28,568 | 145,584 |
| DEPRECIATION | | | | | |
| At 1 April 2016 | 2,752 | 63,029 | 13,625 | 22,521 | 101,927 |
| Charge for year | - | 12,349 | - | 2,932 | 15,281 |
| Eliminated on disposal | - | (3,695) | (7,525) | (2,132) | (13,352) |
| At 31 March 2017 | 2,752 | 71,683 | 6,100 | 23,321 | 103,856 |
| NET BOOK VALUE | | | | | |
| At 31 March 2017 | - | 18,481 | 18,000 | 5,247 | 41,728 |
| At 31 March 2016 | - | 23,345 | - | 4,938 | 28,283 |

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Trade debtors | 462,800 | 658,656 |
| Amounts recoverable on long term contracts | 158,676 | 173,770 |
| Other debtors | 159,130 | 148,256 |
| | <u>780,606</u> | <u>980,682</u> |

Included in other debtors is £51,152 (2016: £42,691) in relation to prepayments and accrued income.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 £ | 2016 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 458,884 | 514,630 |
| Taxation and social security | 135,978 | 63,606 |
| Other creditors | 326,151 | 202,979 |
| | <u>921,013</u> | <u>781,215</u> |

Included in other creditors is £312,664 (2016: £186,049) in relation to accruals and deferred income.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | <u>318,000</u> | <u>353,000</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

9. SECURED DEBTS

The following secured debts are included within creditors:

| | 2017 | 2016 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Amounts owed to group | <u>318,000</u> | <u>353,000</u> |

Bank loans and overdrafts are secured by a debenture dated 8 May 2001 including fixed charge over all freehold and leasehold premises, book and other debts plus floating charge over all other assets.

Amounts owed to group undertakings of £318,000 are secured by a fixed and floating charge over the company's assets dated 20 May 2014.

10. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | | 2017 | 2016 |
|----------------------------------|----------|----------------|------------|------------|
| Number: | Class: | Nominal value: | £ | £ |
| 100 | Ordinary | £1 | <u>100</u> | <u>100</u> |

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Graham Taylor (Senior Statutory Auditor)
for and on behalf of Langdowns DFK Limited

12. OTHER FINANCIAL COMMITMENTS

Total future financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £4,888 (2016: £24,439). This amount is in relation to operating lease commitments which are payable over the next year (2016: payable over two years).

13. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with group companies where any subsidiary that is a party to the transaction is wholly owned within the group or where transactions have been undertaken under normal market conditions.

14. ULTIMATE CONTROLLING PARTY

The ultimate parent company, J Leon & Company Limited, is not under the control of any one individual or entity.

15. ULTIMATE PARENT COMPANY

J Leon & Company Limited is regarded by the director as being the company's ultimate parent company.

During the year CTG Holdings Limited was regarded by the director as being the company's immediate parent company. Subsequent to the year end J Leon & Company Limited became the company's immediate parent company.

Copies of the group accounts for J Leon & Company Limited can be obtained from the Company Secretary at 32 Hampstead High Street, London, NW3 1JQ.