

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

FOR

IKM NETWORK COMMUNICATIONS LIMITED

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

WEDNESDAY



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14/10/2015  
COMPANIES HOUSE

**IKM NETWORK COMMUNICATIONS LIMITED (REGISTERED NUMBER 02996443)**

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**FOR THE YEAR ENDED 31 MARCH 2015**

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**REPORT OF THE INDEPENDENT AUDITORS TO**  
**IKM NETWORK COMMUNICATIONS LIMITED**  
**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages two to five, together with the full financial statements of IKM Network Communications Limited for the year ended 31 March 2015 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

The director is responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Graham Taylor (Senior Statutory Auditor)  
for and on behalf of Langdowns DFK Limited  
Statutory Auditor  
Fleming Court  
Leigh Road  
Eastleigh  
Southampton  
Hampshire  
SO50 9PD

Date 13<sup>TH</sup> October 2015

**ABBREVIATED BALANCE SHEET**  
**31 MARCH 2015**

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	2	12,324	27,477
<b>CURRENT ASSETS</b>			
Stocks		6,190	230,751
Debtors		739,560	885,978
Cash at bank		1	713
		<u>745,751</u>	<u>1,117,442</u>
<b>CREDITORS</b>			
Amounts falling due within one year	3	<u>622,196</u>	<u>910,307</u>
<b>NET CURRENT ASSETS</b>		<u>123,555</u>	<u>207,135</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>135,879</u>	<u>234,612</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	3	<u>353,000</u>	<u>400,000</u>
<b>NET LIABILITIES</b>		<u>(217,121)</u>	<u>(165,388)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	100	100
Profit and loss account		<u>(217,221)</u>	<u>(165,488)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(217,121)</u>	<u>(165,388)</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the director on 1 October 2015 and were signed by



Mr J W Jervis - Director

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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.

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**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.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**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.

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**1 ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

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

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

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Financial instruments**

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

**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.

**2 TANGIBLE FIXED ASSETS**

	Total £
<b>COST</b>	
At 1 April 2014	154,866
Additions	1,931
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At 31 March 2015	156,797
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<b>DEPRECIATION</b>	
At 1 April 2014	127,389
Charge for year	17,084
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At 31 March 2015	144,473
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<b>NET BOOK VALUE</b>	
At 31 March 2015	12,324
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At 31 March 2014	27,477
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**3 CREDITORS**

Creditors include an amount of £354,631 for which security has been given.

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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**4 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	2015 £	2014 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

**5 ULTIMATE PARENT COMPANY**

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

CTG Holdings Limited is regarded by the director as being 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