

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

FOR

IKM NETWORK COMMUNICATIONS LIMITED

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

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IKM NETWORK COMMUNICATIONS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018

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 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	5		64,606		41,728
CURRENT ASSETS					
Stocks		2,957		2,957	
Debtors	6	791,229		780,606	
Cash at bank		141,777		399,859	
		<u>935,963</u>		<u>1,183,422</u>	
CREDITORS					
Amounts falling due within one year	7	<u>607,016</u>		<u>921,013</u>	
NET CURRENT ASSETS			<u>328,947</u>		<u>262,409</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			393,553		304,137
CREDITORS					
Amounts falling due after more than one year	8		<u>338,212</u>		<u>318,000</u>
NET ASSETS/(LIABILITIES)			<u>55,341</u>		<u>(13,863)</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Retained earnings			<u>55,241</u>		<u>(13,963)</u>
SHAREHOLDERS' FUNDS			<u>55,341</u>		<u>(13,863)</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 November 2018 and were signed by:

Mr J W Jervis - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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, J Leon & Company 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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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 2018

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 15 (2017 - 13) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

5. TANGIBLE FIXED ASSETS

	Short Term Leasehold Property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2017	2,752	90,164	24,100	28,568	145,584
Additions	-	10,335	44,280	5,121	59,736
Disposals	-	-	-	(11,799)	(11,799)
At 31 March 2018	<u>2,752</u>	<u>100,499</u>	<u>68,380</u>	<u>21,890</u>	<u>193,521</u>
DEPRECIATION					
At 1 April 2017	2,752	71,683	6,100	23,321	103,856
Charge for year	-	15,409	17,519	3,783	36,711
Eliminated on disposal	-	-	-	(11,652)	(11,652)
At 31 March 2018	<u>2,752</u>	<u>87,092</u>	<u>23,619</u>	<u>15,452</u>	<u>128,915</u>
NET BOOK VALUE					
At 31 March 2018	<u>-</u>	<u>13,407</u>	<u>44,761</u>	<u>6,438</u>	<u>64,606</u>
At 31 March 2017	<u>-</u>	<u>18,481</u>	<u>18,000</u>	<u>5,247</u>	<u>41,728</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	205,820	462,800
Amounts recoverable on long term contracts	350,046	158,676
Other debtors	<u>235,363</u>	<u>159,130</u>
	<u>791,229</u>	<u>780,606</u>

Included in other debtors is £176,207 (2017: £51,152) in relation to prepayments and accrued income.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts	8,069	-
Trade creditors	373,064	458,884
Taxation and social security	90,200	135,978
Other creditors	<u>135,683</u>	<u>326,151</u>
	<u>607,016</u>	<u>921,013</u>

Included in other creditors is £114,838 (2017: £312,664) in relation to accruals and deferred income.

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

	2018 £	2017 £
Bank loans	10,212	-
Amounts owed to group undertakings	<u>328,000</u>	<u>318,000</u>
	<u>338,212</u>	<u>318,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

9. SECURED DEBTS

The following secured debts are included within creditors:

	2018 £	2017 £
Bank loans	18,281	-
Amounts owed to group	<u>328,000</u>	<u>318,000</u>
	<u>346,281</u>	<u>318,000</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 £328,000 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:

Number:	Class:	Nominal value:	2018 £	2017 £
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 £36,222 (2017: £4,888). This amount is in relation to operating lease commitments which are payable over the next two years (2017: payable over the next year).

13. RELATED PARTY DISCLOSURES

At the year end the company owed its parent company £328,000 by way of an intercompany loan. During the year the intercompany loan was novated from the previous parent company to the new parent company.

The loan interest rate is 5% and the parent company has waived its right to this interest in the year ended 31 March 2018. The parent company has agreed none of the amount is repayable within one year.

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 J Leon & Company Limited became the immediate parent company. In the previous year CTG Holdings Limited was 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.