

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

FOR

IKM NETWORK COMMUNICATIONS LIMITED

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IKM NETWORK COMMUNICATIONS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

DIRECTOR:	Mr J W Jervis
SECRETARY:	Ms D Howe
REGISTERED OFFICE:	32 Hampstead High Street Hampstead 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 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	5		77,633		129,578
CURRENT ASSETS					
Stocks		10,100		10,100	
Debtors	6	1,481,275		1,158,114	
Cash at bank		285,397		368,021	
		<u>1,776,772</u>		<u>1,536,235</u>	
CREDITORS					
Amounts falling due within one year	7	839,761		677,440	
NET CURRENT ASSETS			<u>937,011</u>		<u>858,795</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,014,644</u>		<u>988,373</u>
CREDITORS					
Amounts falling due after more than one year	8		(220,000)		(185,000)
PROVISIONS FOR LIABILITIES			<u>(1,413)</u>		<u>(10,329)</u>
NET ASSETS			<u>793,231</u>		<u>793,044</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Retained earnings			793,131		792,944
SHAREHOLDERS' FUNDS			<u>793,231</u>		<u>793,044</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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 and authorised for issue on 17 December 2021 and were signed by:

Mr J W Jervis - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" 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.

Turnover

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

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES - continued

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.

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.

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 contracts 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.

Grants

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants relating to operating expenses are recognised through the income statement as the expenses are incurred to which they relate.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 16 (2020 - 16).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

5. TANGIBLE FIXED ASSETS

	Short Term Leasehold Property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2020	2,752	147,107	127,629	31,692	309,180
Additions	-	655	-	4,322	4,977
Disposals	-	-	(6,100)	-	(6,100)
At 31 March 2021	<u>2,752</u>	<u>147,762</u>	<u>121,529</u>	<u>36,014</u>	<u>308,057</u>
DEPRECIATION					
At 1 April 2020	2,752	109,231	44,044	23,575	179,602
Charge for year	-	19,769	32,729	4,424	56,922
Eliminated on disposal	-	-	(6,100)	-	(6,100)
At 31 March 2021	<u>2,752</u>	<u>129,000</u>	<u>70,673</u>	<u>27,999</u>	<u>230,424</u>
NET BOOK VALUE					
At 31 March 2021	<u>-</u>	<u>18,762</u>	<u>50,856</u>	<u>8,015</u>	<u>77,633</u>
At 31 March 2020	<u>-</u>	<u>37,876</u>	<u>83,585</u>	<u>8,117</u>	<u>129,578</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	357,891	414,858
Amounts recoverable on long term contracts	992,744	492,590
Other debtors	130,640	250,666
	<u>1,481,275</u>	<u>1,158,114</u>

Included in other debtors is £63,162 (2020: £188,951) in relation to prepayments and accrued income.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts	20,000	-
Trade creditors	572,756	392,881
Taxation and social security	88,535	150,275
Other creditors	158,470	134,284
	<u>839,761</u>	<u>677,440</u>

Included in other creditors is £136,278 (2020: £98,051) in relation to accruals and deferred income.

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

	2021 £	2020 £
Bank loans	220,000	-
Amounts owed to group undertakings	-	185,000
	<u>220,000</u>	<u>185,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

9. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	240,000	-
Amounts owed to group	-	185,000
	<u>240,000</u>	<u>185,000</u>

Bank loans are secured by way of a Debenture.

Bank loans include £240,000 borrowed under the Coronavirus Business Interruption Loan Scheme. The UK Government has provided the lender with a partial guarantee on the capital of the loan.

Amounts owed to group undertakings 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:	2021	2020
			£	£
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 £8,432 (2020: £28,960). This amount is in relation to operating lease commitments which are payable over the next four years (2020: payable over the next two years).

13. RELATED PARTY DISCLOSURES

At the year end the company owed its parent company £nil (2020: £185,000) by way of an intercompany loan.

The loan interest rate is 5% and the parent company has waived its right to this interest in the year ended 31 March 2021.

14. ULTIMATE PARENT COMPANY

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