

It Telecoms Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 June 2020

Principle Accounting Limited
Association of Accounting Technicians
Ribble Court
1 Mead Way
Shuttleworth Mead
Padiham
Lancashire
BB12 7NG

It Telecoms Limited

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It Telecoms Limited

Company Information

Director	Mr Martin Alban Prescott
Registered office	Ashley St Works Cavour Street Burnley BB12 0BQ
Accountants	Principle Accounting Limited Association of Accounting Technicians Ribble Court 1 Mead Way Shuttleworth Mead Padiham Lancashire BB12 7NG

It Telecoms Limited
(Registration number: 04256122)
Balance Sheet as at 30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>5</u>	4,796	6,081
Current assets			
Stocks	<u>6</u>	1,250	2,600
Debtors	<u>7</u>	68,880	67,102
Cash at bank and in hand		<u>7,065</u>	<u>7,899</u>
		77,195	77,601
Creditors: Amounts falling due within one year	<u>8</u>	<u>(42,828)</u>	<u>(36,017)</u>
Net current assets		<u>34,367</u>	<u>41,584</u>
Net assets		<u>39,163</u>	<u>47,665</u>
Capital and reserves			
Called up share capital	<u>9</u>	1	1
Profit and loss account		<u>39,162</u>	<u>47,664</u>
Shareholders' funds		<u>39,163</u>	<u>47,665</u>

For the financial year ending 30 June 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 16 December 2020

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Mr Martin Alban Prescott
Director

The notes on pages 3 to 8 form an integral part of these financial statements.

It Telecoms Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Ashley St Works
Cavour Street
Burnley
BB12 0BQ

These financial statements were authorised for issue by the director on 16 December 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the directors there are no critical accounting judgements and key sources of estimation and uncertainty.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Vehicles	25% reducing balance method
Furniture and fittings	15% reducing balance method

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Fully amortised

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 2 (2019 - 2).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 July 2019	6,000	6,000
At 30 June 2020	6,000	6,000
Amortisation		
At 1 July 2019	6,000	6,000
At 30 June 2020	6,000	6,000
Carrying amount		
At 30 June 2020	-	-

The goodwill is fully amortised and has not been revalued.

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Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 July 2019	3,626	11,750	15,376
At 30 June 2020	3,626	11,750	15,376
Depreciation			
At 1 July 2019	1,263	8,032	9,295
Charge for the year	355	930	1,285
At 30 June 2020	1,618	8,962	10,580
Carrying amount			
At 30 June 2020	2,008	2,788	4,796
At 30 June 2019	2,363	3,718	6,081

6 Stocks

	2020 £	2019 £
Other inventories	1,250	2,600

7 Debtors

	2020 £	2019 £
Trade debtors	67,187	64,952
Other debtors	1,693	2,150
	68,880	67,102

8 Creditors

Creditors: amounts falling due within one year

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Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

	2020 £	2019 £
Due within one year		
Trade creditors	3,897	4,176
Taxation and social security	21,782	16,621
Accruals and deferred income	950	950
Other creditors	16,199	14,270
	<u>42,828</u>	<u>36,017</u>

9 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary share capital £1 of £1 each	1	1	1	1

10 Related party transactions

Summary of transactions with entities with joint control or significant interest

EDL John Quinn (Burnley) Ltd

A company in which the director Martin Prescott is a major shareholder and controller.

Sales to EDL during the year including vat totalling £19913

Debtor owed to IT Telecoms at year end is £53480

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.