

INTEGRATED COMPUTING & OFFICE NETWORKING LIMITED

Directors' Report and Financial Statements

for the Year ended 31 December 2020

Registration number: 03127766



Integrated Computing & Office Networking Limited
Directors' Report and Financial Statements

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Integrated Computing & Office Networking Limited
Officers and Advisers

Directors

L Batchelor
J Hunter

Registered office

Parkway House
Pegasus Way
Haddenham Business Park
Haddenham
HP17 8LJ

Bankers

Barclays Bank plc

Auditor

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Integrated Computing & Office Networking Limited
Directors' Report for the year ended 31 December 2020

The directors present their report and the audited financial statements of the company for the year ended 31 December 2020.

Results and dividend

The profit for the year after taxation was £289,423 (2019: £315,316). An ordinary dividend of £159,000 (2019: £185,000) was paid during the period.

Capital and financing

The company is party to the Group's banking facilities that comprise the following:

- a £8.0m, 5 year term loan of which £4.4m was outstanding at 31 December 2020 carrying a fixed interest rate of 3.768%.
- a £1.0m overdraft carrying an interest rate of 2.75% over base rate.

The security provided to the bank for the provision of these facilities is a commitment of the shares of the operating companies.

Future outlook

Both the level of business and the year end financial position were satisfactory. The Eleco Group manages its operations on a Group wide basis. For this reason, the directors believe that further key performance indicators are not necessary or appropriate for an understanding of the development, performance, or position of the business. The performance of the Eleco Group, which includes the Company, is reviewed in the Strategic Report on pages 2 to 29 of the Group's Annual Report and Accounts, which does not form part of this Report.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Integrated Computing & Office Networking Limited
Directors' Report for the year ended 31 December 2020

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Principal activities

The principal activities of the company during the year continued to be that of computer systems, programming, software development and data management.

The Directors

The directors who served the company during year are shown below:

L Batchelor

J Hunter

J Ketteley (resigned from the Board on 23 September 2020)

Directors' indemnities

The company is covered by Directors & Officers Liability insurance arrangements maintained by its ultimate parent company.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD

Parkway House
Pegasus Way
Haddenham Business Park
Haddenham
HP17 8LJ



J Hunter

23 September 2021

Independent auditor's report to the members of
Integrated Computing & Office Networking Limited (company number 03127766)

Opinion

We have audited the financial statements of Integrated Computing & Office Networking Limited (the 'company') for the year ended 31 December 2020 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Statement of Changes in Equity, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Independent auditor's report to the members of
Integrated Computing & Office Networking Limited (company number 03127766) (continued)**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- The Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small company exemptions in preparing the directors report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Independent auditor's report to the members of
Integrated Computing & Office Networking Limited (company number 03127766) (continued)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in revenue recognition.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

EUAN BANKS (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

24 September 2021

Integrated Computing & Office Networking Limited

Profit and Loss Account for the year ended 31 December 2020

		2020	2019
	Notes	£	£
Turnover	2	1,009,878	1,130,087
Cost of sales		(340,372)	(348,737)
Gross profit		<u>669,506</u>	<u>781,350</u>
Administrative and selling expenses		(405,583)	(461,367)
Other operating income	6	6,240	-
Operating profit	6	<u>270,164</u>	<u>319,983</u>
Interest receivable	5	10,129	6,617
Profit before taxation		<u>280,293</u>	<u>326,600</u>
Tax on profit	7	9,130	(11,284)
Profit after taxation		<u><u>289,423</u></u>	<u><u>315,316</u></u>

All of the Company's operations are continuing.

The accounting policies and notes on pages 11 to 17 form an integral part of these financial statements

Integrated Computing & Office Networking Limited**Statement of Comprehensive Income****For the year ended 31 December 2020**

	2020	2019
	£	£
Profit for the period	289,423	315,316
Total comprehensive income for the period	<u>289,423</u>	<u>315,316</u>
Attributable to:		
Equity holders of the parent	<u>289,423</u>	<u>315,316</u>

The accounting policies and notes on pages 11 to 17 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	Share capital £	Capital redemption reserve	Other reserves	Profit and loss account £	Total £
At 1 January 2020 (restated)	5,000	5,000	15,579	494,906	520,485
Profit for the period	-	-	-	289,423	289,423
Total comprehensive income for the period	-	-	-	289,423	289,423
Share-based payments	-	-	26	-	26
Dividend	-	-	-	(159,000)	(159,000)
At 31 December 2020	5,000	5,000	15,605	625,329	650,934

	Share capital £	Capital redemption reserve	Other reserves	Profit and loss account £	Total £
At 1 January 2019 (restated)	5,000	5,000	5,892	364,590	380,482
Profit for the period	-	-	-	315,316	315,316
Total comprehensive income for the period	-	-	-	315,316	315,316
Share-based payments	-	-	9,687	-	9,687
Dividend	-	-	-	(185,000)	(185,000)
At 31 December 2019	5,000	5,000	15,579	494,906	520,485

The accounting policies and notes on pages 11 to 17 form an integral part of these financial statements

Integrated Computing & Office Networking Limited**Balance Sheet as at 31st December 2020**

		2020		2019 (restated)	
	NOTES	£	£	£	£
FIXED ASSETS					
Tangible assets	8		20,406		33,038
			20,406		33,038
CURRENT ASSETS					
Debtors	9	570,770		473,521	
Cash at bank and in hand		383,723		364,612	
		954,493		838,133	
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(323,339)		(348,937)	
NET CURRENT ASSETS			631,154		489,196
TOTAL ASSETS LESS CURRENT LIABILITIES			651,560		522,234
PROVISIONS FOR LIABILITIES AND CHARGES	11		(626)		(1,749)
NET ASSETS			650,934		520,485
CAPITAL AND RESERVES					
Called up share capital	12		5,000		5,000
Capital redemption reserve	13		5,000		5,000
Other reserves	13		15,605		15,579
Profit and loss account	13		625,329		494,906
SHAREHOLDERS' EQUITY			650,934		520,485

The accompanying accounting policies and notes on pages 11 to 17 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors on **23** September 2021, and signed on its behalf by:



J Hunter
Company Number: 03127766

INTEGRATED COMPUTING & OFFICE NETWORKING LIMITED
Notes to the financial statements for the year ended 31 December 2020

1 Accounting policies

Company Information

Integrated Computing & Office Networking Limited (the "company") is a private company limited by shares incorporated in the UK and its registered office is at Parkway House, Pegasus Way, Haddenham Business Park, Haddenham, HP17 8LJ.

A summary of accounting policies, which have been applied consistently, is set out below:

Going concern

The Director continues to adopt the going concern basis of accounting in the preparation of the annual financial statements. When management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern, the Company shall disclose those uncertainties. After making appropriate enquiries, the Director has a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future, being the twelve month period from approval of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Details of the impact of Coronavirus on the Group's going concern, which includes the Company, is contained in Significant Accounting Policies on page 62 of the Group's Annual Report and Accounts, which does not form part of this Report.

Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime and under the historic cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. The Company has adopted the following disclosure exemptions under FRS 102 as the parent company consolidated financial statements are publicly available:

- requirement to present a statement of cash flows and related notes.
- financial instrument disclosures.
- key management remuneration disclosure.
- share-based payments disclosure.

The Company is monitoring the potential impact of Coronavirus in the markets that we serve on a continuing basis. Further details of how this is monitored for the Eleco Group, which includes the Company, is contained in Significant Accounting Policies on page 62 of the Group's Annual Report and Accounts, which does not form part of this Report.

Significant accounting judgements and estimates

Application of the Company's accounting policies in conformity with generally accepted accounting principles requires judgements and estimates that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. These judgements and estimates may be affected by subsequent events or actions such that actual results may ultimately differ from the estimates.

The key accounting policies at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Revenue recognition

Contracts with clients can include both the sale of licences and the provision of services including maintenance and support. The Directors apply appropriate judgement in recognition of the separable components of revenue based on the analysis of individual contracts as this indicates the substance of the transaction as viewed by the client. The transfer of the risks and rewards of ownership for a licence is usually on delivery and written or contractual acceptance of the software provided the contract is non-cancellable.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and after adjusting for income in advance. Sales are recognised at the point which the company has fulfilled its contractual obligations to the customer.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment. Depreciation is provided at rates calculated to write off the cost, less their estimated residual value, over their expected useful life as follows:

Fixtures, fittings and equipment	25% straight line
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Operating leases

Amounts payable under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease.

INTEGRATED COMPUTING & OFFICE NETWORKING LIMITED
Notes to the financial statements for the year ended 31 December 2020

.....continued

1 Accounting policies (continued)

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain/loss in the profit and loss account.

Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation 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 the date will result in an obligation to pay more tax or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiary undertakings only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- 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.

Research and development

Software development expenditure is charged to the profit and loss account in the period in which it is incurred.

Government grants

Income from government grants is presented within other operating income. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Share-based payments

The Company issues share options to employees from time to time. The equity-settled, share-based payment awards are valued at fair value at inception and this cost is recognised over the option vesting period. The Board has used a valuation model to estimate the fair value of the options. Various assumptions affect the value of the options and the Board has considered these assumptions in order to derive an appropriate charge for the cost of the options. The key assumptions used to derive the charge include the probability of performance achievement and the expected future dividend yield of the shares.

INTEGRATED COMPUTING & OFFICE NETWORKING LIMITED
Notes to the financial statements for the year ended 31 December 2020

.....continued

2 Turnover

All revenue arises from the rendering of services.

3 Directors' emoluments

The directors' emoluments for the period are as follows:

	2020 £	2019 £
Directors' pension contributions	1,970	1,663
Directors' emoluments (including benefits in kind)	<u>73,950</u>	<u>68,500</u>
	<u>75,920</u>	<u>70,163</u>

During the period the number of directors who were accruing benefits under company pension schemes was as follows:

	2020 Nº	2019 Nº
Money purchase	<u>1</u>	<u>1</u>

4 Employees (including directors)

	2020 Nº	2019 Nº
Development and customer services	7	10
Sales and marketing	2	2
Management & administration	<u>3</u>	<u>3</u>
	<u>12</u>	<u>15</u>

Staff costs during the period amounted to:-

	2020 £	2019 £
Wages and salaries	435,937	476,907
Social security cost	43,212	45,823
Other pension cost	9,544	9,751
Share-based payments	<u>26</u>	<u>9,687</u>
	<u>488,719</u>	<u>542,168</u>

5 Interest

	2020 £	2019 £
Interest receivable	<u>10,129</u>	<u>6,617</u>
Group loan interest	<u>10,129</u>	<u>6,617</u>

INTEGRATED COMPUTING & OFFICE NETWORKING LIMITED
Notes to the financial statements for the year ended 31 December 2020

.....continued

6 Operating profit

Operating profit is stated after charging / (crediting):	2020	2019
	£	£
Depreciation of tangible fixed assets	12,632	11,939
<i>Fees payable to company auditors:</i>		
For the audit of the company	10,029	6,180
Operating leases - other assets	38,342	4,223
Research and development	42,659	10,287
Pension costs	9,544	9,751
Employer furlough scheme credits	<u>(6,240)</u>	<u>-</u>

7 Tax on profit

a) Tax on profit

	2020	2019
	£	£
Current tax:		
UK current tax on profits for the period	9,999	9,999
Adjustments in respect of previous years	<u>(18,006)</u>	<u>1</u>
Total current tax	<u>(8,007)</u>	<u>10,000</u>
Deferred tax:		
Origination and reversal of temporary differences	(1,329)	1,284
Adjustments in respect of previous years	<u>206</u>	<u>0</u>
Total deferred tax	<u>(1,123)</u>	<u>1,284</u>
Tax charge on profit	<u><u>(9,130)</u></u>	<u><u>11,284</u></u>

b) Factors affecting tax charge for period

The differences between the current tax assessed for the period and the average standard rate of corporation tax are explained as follows:

	2020	2019
	£	£
Profit before tax	<u>280,293</u>	<u>326,600</u>
Profit multiplied by the average standard rate of corporation tax of 19.00% (2019: 19.00%)	53,256	62,054
Effects of:		
Expenses not deductible for tax purposes	844	4,376
Research and development tax relief	(10,537)	(2,541)
Tax rate differences	-	(151)
Group relief	(34,892)	(52,455)
Prior year adjustments	(17,801)	1
Short Term timing differences	<u>-</u>	<u>-</u>
Total tax charge for the year	<u><u>(9,130)</u></u>	<u><u>11,284</u></u>

c) Factors that may affect future tax charges

Income tax for the UK has been calculated at the weighted average rate of UK corporation tax of 19.00% (2019: 19.00%) on the estimated assessable profit for the period. The Directors do not anticipate the level of tax to change significantly in the future and therefore will not have an impact on the company.

INTEGRATED COMPUTING & OFFICE NETWORKING LIMITED
Notes to the financial statements for the year ended 31 December 2020

.....continued

8 Tangible fixed assets

	Fixtures, fittings & office equipment £
Cost:	
At 1 January 2020	125,126
Additions	
At 31 December 2020	<u>125,126</u>
Accumulated depreciation:	
At 1 January 2020	92,088
Charge for the period	12,632
At 31 December 2020	<u>104,720</u>
Net book value at 31 December 2020	<u>20,406</u>
Net book value at 31 December 2019	<u>33,038</u>

9 Debtors

	2020	2019 (restated)
	£	£
Due within one year:		
Trade debtors	278,349	231,139
Amount owed by parent undertaking	276,617	229,000
Other debtors	-	6,618
Prepayments and accrued income	15,804	6,764
	<u>570,770</u>	<u>473,521</u>

10 Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	349	539
Amount owed to parent undertaking	22,217	2,827
Amounts owed to group undertakings	2,877	6,610
Other taxes and social security costs	42,083	60,459
Other creditors	43,260	44,336
Accruals and deferred income	202,554	206,161
Corporation tax	9,999	28,005
	<u>323,339</u>	<u>348,937</u>

INTEGRATED COMPUTING & OFFICE NETWORKING LIMITED
Notes to the financial statements for the year ended 31 December 2020

.....continued

11 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Tax (see below) £
At 1 January 2020	1,749
Utilised	(1,123)
At 31 December 2020	<u>626</u>

Deferred taxation

The total tax deferred to date based on a corporation tax rate of 19.00% (2019: 19.00%) comprises:-

	2020 £	2019 £
Accelerated relief on capital expenditure	<u>626</u>	<u>465</u>
	626	465

12 Share capital

	2020 £	2019 £
Allotted, called up and fully paid: 5,000 Ordinary A shares of £1 each	<u>5,000</u>	<u>5,000</u>

13 Reserves

	Capital redemption reserve £	Other reserves £	Profit and loss account £
Balance at 1 January 2020	5,000	15,579	494,906
Share-based payments	-	26	-
Profit for the year	-	-	289,423
Dividends	-	-	(159,000)
Balance at 31 December 2020	<u>5,000</u>	<u>15,605</u>	<u>625,329</u>

The brought forward profit and loss account reserves were restated by £244,600 and related to correcting a prior period error resulting from the acquisition of the company by Eleco plc in October 2016. The Balance Sheet item affected is amount owed by parent undertaking (note 9). Further details are disclosed in note 20.

The capital redemption reserve is a non-distributable reserve into which amounts are transferred following the redemption or purchase of the company's own shares.

Other reserves represents the share-based payments reserve.

The profit and loss account includes all current and prior period retained profit or losses.

14 Leasing commitments

	2020 £	2019 £
Future minimum rentals payable under non-cancellable operating leases are as follows:		
Within one year	38,342	4,223
Between 2 and 5 years inclusive	<u>102,245</u>	<u>7,743</u>
	<u>140,587</u>	<u>11,966</u>

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.....continued

15 Ultimate parent company

The Directors regard Eleco plc, a company registered in England and Wales, as the ultimate controlling parent undertaking. Copies of the ultimate controlling parent's consolidated financial statements may be obtained from the Company Secretary, Eleco plc, 66 Clifton Street, London, EC2A 4HB.

16 Related party transactions

As permitted by FRS102 Section 33 "related party disclosures" the financial statements do not disclose transactions with the parent company and fellow subsidiaries where 100% of the voting rights are wholly controlled by the Group.

17 Pension schemes

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £9,544 (2019: £9,751).

There were no outstanding or prepaid contributions at either the beginning or end of the year ended 31 December 2020.

18 Banking arrangements

The company operates under the banking facilities arranged by the Group. The bank holds a commitment over the shares of the company. In addition to this, security provided to the bank for the provision of the Group's banking facilities is a cross guarantee and debenture between the company and the parent company, Eleco plc. Further details of the Groups', and its subsidiaries', banking arrangements are contained in the Directors report on page 2.

19 Post-balance sheet events

Further details of post-balance sheet events can be obtained from the Group's Annual Report and Accounts, which does not form part of this Report.

20 Prior period adjustments

In the current year, brought forward retained earnings were restated by £244,600.

Management have therefore restated the prior year accounts by the amounts stated in the reconciliation below:

	Year ended 31 December 2019	Prior period adjustment	Year ended 31 December 2019 (restated)
	£	£	£
Retained Earnings	739,506	(244,600)	494,906
Debtors: Amount owed by parent undertaking	473,600	(244,600)	229,000

Debtors were adjusted to eliminate an intercompany balance included in error that resulted from the acquisition of the company by Eleco plc in October 2016. This intercompany balance was an amount that was due from Eleco plc as part of the consideration for the acquisition and was settled on acquisition.

The total of the above prior period adjustment impacted retained earnings.

21 Dividends

Dividends paid in the year to the ultimate parent company, Eleco plc, amounted to £159,000 (2019: £185,000).