

EUROSIMM LIMITED

Annual report and audited financial statements

For the year ended 31 December 2018

Registered number: 03179588 (England and Wales)

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EUROSIMM LIMITED

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Company Information

DIRECTORS

J Newman
A Levene
C J Perry

REGISTERED OFFICE

C/O Legalinx Limited
One Fetter Lane
London
EC4A 1BR

BUSINESS ADDRESS

P16
Parklands
Heywood Distribution Park
Heywood
Lancs
OL10 2TT

AUDITOR

Ernst & Young LLP
Statutory Auditor
2 St Peter's Square
Manchester
M2 3EY

BANKERS

HSBC Bank Plc
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Strategic report

For the year ended 31 December 2018

The directors present the strategic report for the year ended 31 December 2018.

Review of the business

The business has undertaken limited trading activities in the period.

In the prior period all of the trade and assets were hived up to its parent company, Ikonix Technology Limited. After this Eurosimmm ceased to trade.

Management's objectives before hive up were to:

- Source quality IT products and sell competitively.
- Maintain exceptional customer service.
- Manage financial and operational risks.
- Add value to the business while improving profitability while growing organically.

After the hive up, these objectives continue to be pursued in the parent company.

The management team had in place a number of key performance indicators, both financial and operational, to guide the business to meet the objectives.

Key performance indicators

The directors have determined that the following financial key performance indicators (KPIs), are the most effective measure of progress towards achieving company objectives.

	2018	2017
	£	£
Turnover	-	47,927,973
Operating (loss)/profit	(6,048)	2,137,303
EBITDA	(6,048)	2,197,703

Principal risks and uncertainties

The directors consider that there are no material risks due to limited trading activity.

Future developments

The directors expect limited to no developments in the future given that the business has ceased to trade.

Approved by the Board on 31st October 2019 and signed on its behalf by:



C Perry
Director

Directors' Report

For the year ended 31 December 2018

The directors present their annual report on the affairs of the Company, together with the financial statements, for the year ended 31 December 2018.

Principal activity

The company has no specific principle activity since it ceased to trade in the prior period.

Future developments

Details of future developments can be found in the Strategic Report on pages 2 and 3 form part of this report by cross-reference.

Events after the balance sheet date

There have been no significant events since the balance sheet date.

Financial risk management objectives and policies

The business is not deemed to be exposed to any material risks due to limited activity in the period.

Dividends

No dividends were paid in the period (2017: £11,127,029). The directors do not recommend payment of a dividend.

Directors

The directors who served the Company during the period and thereafter are stated on page 1.

Going concern

The directors are fully aware of their duty to assess the company's going concern status and have attended to this with particular care in consideration of the current economic and industry outlook. The Company has sufficient liquidity to confidently meet its financial liabilities and meet day-to-day cash requirements.

Having reviewed forecasts and projections, and potential future trading performance variations, the directors have concluded that the Company has adequate resources to meet its liabilities for the foreseeable future and therefore the financial statements have been prepared accordingly on a going concern basis. Further details on the basis of preparation are given in note 1 to the financial statements.

Approved by the Board on 31st October 2019 and signed on its behalf by:



C Perry

Director

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each period. 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 law), including FRS 102 "The Financial Reporting Standard Applicable in 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 of the Company and of the 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Independent auditor's report to the members of Eurosim Limited

Opinion

We have audited the financial statements of Eurosim Limited ('the company') for the year ended 31st December 2018 which comprise the balance sheet, statement of comprehensive income and the statement of changes in equity and the related notes 1 to 15, 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 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 company's affairs as at 31st December 2018 and of the loss 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 below. We are independent of the group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 4), 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 is 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 group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

Ernst & Young LLP

Jamie Dixon (*Senior statutory auditor*)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Manchester

31 October 2019

Statement of comprehensive income
For the year ended 31 December 2018

	Notes	Discontinued Operations 2018 £	Discontinued Operations 2017 £
Turnover	3	-	47,927,973
Cost of sales		-	(42,284,269)
		<hr/>	<hr/>
Gross profit		-	5,643,704
Distribution Costs		-	(393,130)
Administrative expenses		(6,048)	(3,113,273)
		<hr/>	<hr/>
(Loss)/Profit before taxation	4	(6,048)	2,137,301
Tax on loss/profit	7	-	(377,874)
(Loss)/Profit for the financial year		<hr/> (6,048) <hr/>	<hr/> 1,759,427 <hr/>

EUROSIMM LIMITED

Balance Sheet

At 31 December 2018

	Notes	2018 £	2017 £
Current assets			
Debtors	9	249,665	272,366
Cash at bank and in hand		8,593	-
		<u>258,258</u>	<u>272,366</u>
Creditors: Amounts falling due within one year	10	<u>(10,886)</u>	<u>(18,946)</u>
Net Assets		<u>247,372</u>	<u>253,420</u>
Capital and reserves			
Called-up share capital	12	7,666	7,666
Share premium account	13	245,754	245,754
Profit and loss reserves		<u>(6,048)</u>	<u>-</u>
Total equity		<u>247,372</u>	<u>253,420</u>

The financial statements of Eurosimm Limited (registered number 03179588) were approved by the board of directors and authorised for issue on 31st October 2019 and are signed on its behalf by:



C Perry
Director

EUROSIMM LIMITED

Statement of changes in equity

At 31 December 2018

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 January 2017		7,666	245,754	9,367,602	9,621,022
<hr/>					
Year ended 31 December 2017:					
Total comprehensive income for the year		-	-	1,759,427	1,759,427
Dividends	8	-	-	(11,127,029)	(11,127,029)
Balance at 31 December 2017		7,666	245,754	-	253,420
<hr/>					
Year ended 31 December 2018:					
Total comprehensive loss for the year		-	-	(6,048)	(6,048)
Balance at 31 December 2018		7,666	245,754	(6,048)	247,372

Notes to the financial statements

For the year ended 31 December 2018

1. Statement of accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and prior period.

General information and basis of accounting

Eurosimm Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activities of the Company are set out in the Directors' Report on page 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Eurosimm Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. Monetary amounts in these financial statements are rounded to the nearest £.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities and financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of each financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognized in profit or loss and in other comprehensive income;
- Section 3 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Ikonix Technology Limited.

Going Concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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 Company after deducting all of its liabilities.

Notes to the financial statements

For the year ended 31 December 2018

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

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

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion

Notes to the financial statements

For the year ended 31 December 2018

of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects

the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Cost of sales

Cost of sales primarily relates to the cost of stock recognized as an expense upon sale.

Foreign currency

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.

Notes to the financial statements

For the year ended 31 December 2018

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks;
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Employee benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Critical accounting judgements and key sources of estimation uncertainty***Critical accounting judgements***

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements

For the year ended 31 December 2018

3. Turnover

Turnover is attributable to the activity of the company disclosed in the Directors' Report on page 4.

An analysis of the company's turnover is as follows:

Turnover analysed by class of business

	2018	2017
	£	£
Sale of goods	-	47,867,718
Rendering of services	-	60,255
	<hr/>	<hr/>
	-	47,927,973
	<hr/>	<hr/>

Turnover analysed by geographical market

	2018	2017
	£	£
UK	-	29,801,927
Rest of Europe	-	12,429,220
Rest of the world	-	5,696,826
	<hr/>	<hr/>
	-	47,927,973
	<hr/>	<hr/>

Notes to the financial statements

For the year ended 31 December 2018

4. Profit before tax

Profit before tax for the year is stated after charging:

	2018	2017
	£	£
Exchange losses	-	26,237
Fees payable to the company's auditor for the audit of the company's financial statements	6,400	5,000
Depreciation of owned tangible fixed assets	-	50,072
Loss on disposal of tangible fixed assets	-	59,683
Amortisation of intangible assets	-	10,327
Loss on disposal of intangible assets	-	46,986
Cost of stocks recognised as an expense	-	42,209,965
Operating lease charges	-	74,613

The analysis of the auditor's remuneration is as follows:

	2018	2017
	£	£
Fees payable to the company's auditor and its associates		
For audit services		
Audit of the financial statements	6,400	5,000

No services were provided pursuant to contingent fee arrangements.

The audit fee for the year ended 31st December 2017 was payable to the prior year auditor, UHY Hacker Young Manchester LLP.

Notes to the financial statements

For the year ended 31 December 2018

5. Employees

The average monthly number of employees (including executive directors) was:

	2018	2017
Sales & Administration	-	39
Directors	3	3
	<u>3</u>	<u>42</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	-	1,479,331
Social security costs	-	165,724
Pension costs	-	138,638
	<u>-</u>	<u>1,783,693</u>

6. Directors' remuneration

	2018 £	2017 £
Directors' remuneration		
Remuneration for qualifying services	-	62,206
Company contributions to defined contribution pension schemes	-	104,545
	<u>-</u>	<u>166,751</u>

The number of directors who:

Are members of a defined contribution pension scheme

	-	3
	<u>-</u>	<u>3</u>

Notes to the financial statements

For the year ended 31 December 2018

7. Tax on (loss)/profit

The tax charge comprises:

	2018 £	2017 £
Current tax on profit		
UK corporation tax	-	416,315
Adjustments in respect of prior periods	-	2,631
Total current tax	-	418,946
Deferred Tax		
Origination and reversal of timing differences	-	(41,072)
Total tax charge	-	377,874

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Total (loss)/profit	(6,048)	2,137,301
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	-	411,430
Tax effect of expenses that are not deductible in determining taxable profit	-	3,466
Adjustments in respect of prior years	-	2,631
Change on tax rate	-	5,428
Other tax adjustments	-	(45,081)
Total tax charge	-	377,874

8. Dividends

	2018 £	2017 £
Ordinary final paid	-	11,127,029
	-	11,127,029

Notes to the financial statements

For the year ended 31 December 2018

9. Debtors

	2018	2017
	£	£
Trade debtors	-	50,000
Amounts owed by group undertakings	249,665	214,327
Other debtors	-	8,039
	<u>249,665</u>	<u>272,366</u>

The balance due from the parent and fellow group undertakings is interest free and repayable on demand.

10. Creditors – amounts falling due within one year

	2018	2017
	£	£
Accruals	6,400	-
Corporation tax	<u>4,486</u>	<u>18,946</u>
	<u>10,886</u>	<u>18,946</u>

11. Retirement benefit schemes

Defined contribution schemes	2018	2017
	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>-</u>	<u>138,638</u>

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

Notes to the financial statements

For the year ended 31 December 2018

12. Share Capital**Ordinary share capital issued and fully paid**

	2018 £	2017 £
6,666 Ordinary A shares of £1 each	6,666	6,666
1,000 Ordinary B shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>7,666</u>	<u>7,666</u>

In accordance with the Company's Articles of Association, the holders of Ordinary B shares participate in the profits of the company, but can only be repaid at par on any winding-up or distribution.

Otherwise the Ordinary A shares and Ordinary B shares rank parri passu in all respects.

Called-up share capital represents the nominal value of shares that have been issued.

13. Reserves***Share premium***

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss reserves

The profit and loss account includes all current and prior period retained profits and losses, net of dividends paid.

14. Related party transactions

The directors of the company are considered to be the key management personnel. Director's remuneration is disclosed in note 6.

15. Ultimate controlling party

The company is a wholly owned subsidiary of Ikonic Technology Limited, a company incorporated in England and Wales. The ultimate controlling parties are A Levene and J Newman by virtue of their directorships and shareholding in Ikonic Technology Limited.

The consolidated financial statements of Ikonic Technology Limited and its' controlled entities may be obtained from the company's business address, P16 Parklands, Heywood Distribution Park, Heywood, Lancashire, OL10 2TT.