

Company Registration No. 03179588 (England and Wales)

EUROSIMM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



EUROSIMM LIMITED

COMPANY INFORMATION

Directors	J Newman A Levene C J Perry (Appointed 1 May 2017)
Company number	03179588
Registered office	P16 Parklands Heywood Distribution Park Heywood Lancs OL10 2TT
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Business address	P16 Parklands Heywood Distribution Park Heywood Lancs OL10 2TT
Bankers	HSBC Bank PLC 4 Hardman Square Spinningfields Manchester M3 3EB

EUROSIMM LIMITED

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EUROSIMM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

On 30 September 2017 all of the trade and assets were hived up to its parent company Ikonik Technology Limited. After this Eurosim Limited 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.

Business review

Eurosim Limited continued to develop new and current revenue streams. During the year the purchase of Eurosim Limited by Ikonik Technology Limited via an asset sale / "hive up" was completed on 30 September 2017.

Eurosim Limited, for the 9 month period it was trading, delivered a profit after tax of £1,759,427 (PY £2,182,417).

Financial performance

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

	2017- 9 months of trade	2016
Turnover	£47,927,973	£58,820,739
Operating profit	£2,137,303	£2,743,380
EBITDA	£2,197,703	£2,792,233

Risk management

The company's strategy was to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which management faced are detailed as follows:

Business performance risk

Business performance risk is the risk that the company may not perform as expected either due to internal factors or due to competitive pressures in the market in which they operate. This risk was managed through a number of measures: ensuring the appropriate management team was in place; budget and business planning; monthly reporting and variance analysis; financial controls; key performance indicators; and regular forecasting; currency and cash management. This risk is still being managed as such in the parent company.

Business continuity risk

Business continuity risk planning was regarded with significant importance to the managers and directors. A plan was drawn up to ensure purchasing, sales, storage and onward supply can be met in the event of a significant negative impact on the business. This risk is still being managed as such in the parent company.

Health and safety risk

The company is committed to ensuring a safe working environment. The risks arising from inadequate management of health and safety matters are the exposure of employees and third parties to the risk of injury, potential liability and/or loss of reputation. These risks are managed by the company through: the strong promotion of a health and safety culture; and well defined health and safety policies. This risk is still being managed as such in the parent company.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Financial and business control

Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the company relied upon for day-to-day operations and external reporting. The company exercised financial and business control through a combination of: qualified and experienced financial teams; performance analysis; budgeting and cash flow forecasting; and clearly defined approval limits. The external auditors provide advice on specific accounting and tax issues as they arise.

Social, ethical and environmental risk

Due to the company's nature and size no significant social, ethical or environmental risks have been identified by the management.

Credit risk

Credit risk arose principally from UK and international customers. Company policy was aimed at minimising such risk and requires that deferred terms were granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit limits to ensure that the company's exposure to bad debts is not significant. This risk management policy has been utilised by the parent company post hive up.

On behalf of the board



J Newman

Director

1/5/18

EUROSIMM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and financial statements for year ended 31 December 2017.

Principal activities

The principal activity of the company for the first 9 months continued to be that of the supply of IT products. On the 30 September 2017 the company hived up its trade and assets to its parent company, Ikonix Technology Limited. Eurosimm Limited is now considered to be effectively dormant.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Newman

J Kellington

A Levene

C J Perry

(Resigned 17 March 2017)

(Appointed 1 May 2017)

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £11,127,029. The directors do not recommend payment of a further dividend.

Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from its trading activities. The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

Statement of directors' responsibilities

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 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 law). 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;
- 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.

EUROSIMM LIMITED

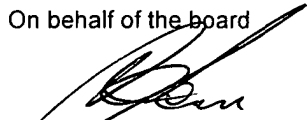
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



J Newman

Director

Date: 1/5/18

EUROSIMM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROSIMM LIMITED

Opinion

We have audited the financial statements of Eurosimm Limited (the 'company') for the year ended 31 December 2017 set out on pages 7 to 21. 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 2017 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

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 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this 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 our 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 the Directors' Report have been prepared in accordance with applicable legal requirements.

EUROSIMM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EUROSIMM LIMITED

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 Strategic Report and 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, 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 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 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.


Mark Robertson (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

Chartered Accountants
Statutory Auditor

9/5/18

St James Building
79 Oxford Street
Manchester
M1 6HT

EUROSIMM LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

		Discontinued operations 2017 £	Discontinued operations 2016 £
	Notes		
Turnover	3	47,927,973	58,820,739
Cost of sales		(42,284,269)	(51,593,306)
Gross profit		5,643,704	7,227,433
Distribution costs		(393,130)	(581,772)
Administrative expenses		(3,113,273)	(4,166,403)
Other operating income		-	264,122
Operating profit	4	2,137,301	2,743,380
Interest receivable and similar income	7	-	57
Interest payable and similar expenses	8	-	(2,966)
Profit before taxation		2,137,301	2,740,471
Tax on profit	9	(377,874)	(558,054)
Profit for the financial year		1,759,427	2,182,417

EUROSIMM LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	11		-		77,768
Tangible assets	12		-		406,928
					<u>484,696</u>
Current assets					
Stocks	13	-		5,274,879	
Debtors	14	272,366		13,558,550	
Cash at bank and in hand		-		109,261	
		<u>272,366</u>		<u>18,942,690</u>	
Creditors: amounts falling due within one year	15	(18,946)		(9,765,292)	
Net current assets			253,420		9,177,398
Total assets less current liabilities			<u>253,420</u>		<u>9,662,094</u>
Provisions for liabilities	16		-		(41,072)
Net assets			<u>253,420</u>		<u>9,621,022</u>
Capital and reserves					
Called up share capital	19		7,666		7,666
Share premium account	20		245,754		245,754
Profit and loss reserves	20		-		9,367,602
Total equity			<u>253,420</u>		<u>9,621,022</u>

The financial statements were approved by the board of directors and authorised for issue on 11/5/18 and are signed on its behalf by:


J Newman
Director

Company Registration No. 03179588

EUROSIMM LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2016		7,666	245,754	8,038,233	8,291,653
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	2,182,417	2,182,417
Dividends	10	-	-	(853,048)	(853,048)
Balance at 31 December 2016		7,666	245,754	9,367,602	9,621,022
Year ended 31 December 2017:					
Profit and total comprehensive income for the year		-	-	1,759,427	1,759,427
Dividends	10	-	-	(11,127,029)	(11,127,029)
Balance at 31 December 2017		7,666	245,754	-	253,420

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Eurosim Limited is a private company limited by shares incorporated in England and Wales. The registered office is P16, Parklands, Heywood Distribution Park, Heywood, Lancs, OL10 2TT.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

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 £.

This 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, 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 financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

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

1.2 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.

1.3 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.

1.4 Intangible fixed assets other than goodwill

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer software	15% reducing balance
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If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is calculated using the weighted average cost method. Provision is made for obsolete, slow-moving or defective items where appropriate.

1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The financial instruments of the company are all identified as basic financial instruments.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover analysed by class of business		
Sale of goods	47,867,718	58,748,814
Rendering of services	60,255	71,925
	<u>47,927,973</u>	<u>58,820,739</u>

	2017 £	2016 £
Turnover analysed by geographical market		
UK	29,801,927	34,443,768
Rest of Europe	12,429,220	18,001,786
Rest of the world	5,696,826	6,375,185
	<u>47,927,973</u>	<u>58,820,739</u>

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging:		
Exchange losses	26,237	30,202
Fees payable to the company's auditor for the audit of the company's financial statements	5,000	17,000
Depreciation of owned tangible fixed assets	50,072	85,082
Loss on disposal of tangible fixed assets	59,683	7,631
Amortisation of intangible assets	10,327	13,036
Loss on disposal of intangible assets	46,986	5,301
Cost of stocks recognised as an expense	42,209,965	51,496,710
Operating lease charges	<u>74,613</u>	<u>156,005</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Directors	3	3
Sales and administration	39	61
	<u>42</u>	<u>64</u>

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Employees (Continued)

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,479,331	2,313,922
Social security costs	165,724	218,831
Pension costs	138,638	158,628
	<u>1,783,693</u>	<u>2,691,381</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	62,206	28,729
Company pension contributions to defined contribution schemes	104,545	124,871
	<u>166,751</u>	<u>153,600</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2016 - 3).

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	-	57
	<u>-</u>	<u>57</u>

8 Interest payable and similar expenses

	2017 £	2016 £
Other interest	-	2,966
	<u>-</u>	<u>2,966</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	416,315	590,779
Adjustments in respect of prior periods	2,631	(2,976)
	<u>418,946</u>	<u>587,803</u>

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	(41,072)	(29,749)
	<u> </u>	<u> </u>
Total tax charge	377,874	558,054
	<u> </u>	<u> </u>

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:

	2017 £	2016 £
Profit before taxation	2,137,301	2,740,471
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	411,430	548,094
Tax effect of expenses that are not deductible in determining taxable profit	3,466	8,409
Adjustments in respect of prior years	2,631	-
Change on tax rate	5,428	(3,934)
Other tax adjustments	(45,081)	5,485
	<u> </u>	<u> </u>
Taxation charge for the year	377,874	558,054
	<u> </u>	<u> </u>

10 Dividends

	2017 £	2016 £
Ordinary final paid	11,127,029	853,048
	<u> </u>	<u> </u>
	11,127,029	853,048
	<u> </u>	<u> </u>

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

11 Intangible fixed assets

	Computer software £
Cost	
At 1 January 2017	224,213
Additions - separately acquired	29,898
Disposals	(194,760)
Transfer on hive up	(59,351)
	<hr/>
At 31 December 2017	-
	<hr/>
Amortisation and impairment	
At 1 January 2017	146,445
Amortisation charged for the year	10,327
Disposals	(147,774)
Transfer on hive up	(8,998)
	<hr/>
At 31 December 2017	-
	<hr/>
Carrying amount	
At 31 December 2017	-
	<hr/>
At 31 December 2016	77,768
	<hr/>

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

12 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2017	213,844	332,847	69,727	616,418
Additions	-	5,038	-	5,038
Disposals	-	(113,293)	(8,583)	(121,876)
Transfer on hive up	(213,844)	(224,592)	(61,144)	(499,580)
At 31 December 2017	-	-	-	-
Depreciation and impairment				
At 1 January 2017	51,778	101,010	56,702	209,490
Depreciation charged in the year	18,232	25,244	6,596	50,072
Eliminated in respect of disposals	-	(53,028)	(5,901)	(58,929)
Transfer on hive up	(70,010)	(73,226)	(57,397)	(200,633)
At 31 December 2017	-	-	-	-
Carrying amount				
At 31 December 2017	-	-	-	-
At 31 December 2016	162,066	231,837	13,025	406,928

13 Stocks

	2017 £	2016 £
Finished goods and goods for resale	-	5,274,879

14 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	50,000	7,974,180
Amounts owed by group undertakings	214,327	4,613,016
Other debtors	8,039	738,079
Prepayments and accrued income	-	233,275
	272,366	13,558,550

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

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	3,306,696
Corporation tax	18,946	590,779
Other taxation and social security	-	518,019
Other creditors	-	4,391,287
Accruals and deferred income	-	958,511
	<u>18,946</u>	<u>9,765,292</u>

Within other creditors there are amounts totalling £nil (2016 - £516,140) relating to amounts owed to directors, which are interest free and repayable on demand.

Other creditors includes an invoice discounting facility totalling £nil (2016 - £3,666,935). The invoice discounting balance is secured by a debenture and a floating charge over the assets of the company. Upon hive up, the invoicing discounting facility was transferred from Eurosimm Limited to Ikonix Technology Limited.

16 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	17	<u>-</u>	<u>41,072</u>

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	-	60,458
Other timing differences	-	(19,386)
	<u>-</u>	<u>41,072</u>
Movements in the year:		2017 £
Liability at 1 January 2017		41,072
Credit to profit or loss		(41,072)
		<u>-</u>
Liability at 31 December 2017		<u>-</u>

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

17 Deferred taxation (Continued)

18 Retirement benefit schemes	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	138,638	158,628

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.

19 Share capital	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
6,666 Ordinary A shares of £1 each	6,666	6,666
1,000 Ordinary B shares of £1 each	1,000	1,000
	7,666	7,666

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.

20 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.

EUROSIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	-	148,464
Between two and five years	-	586,045
In over five years	-	476,186
	<u>-</u>	<u>1,210,695</u>

During the year, the trade and assets of Eurosimm Limited were hived up to the parent company, Ikonik Technology Limited. The lease commitments transferred from Eurosimm Limited to Ikonik Technology Limited at this point.

22 Related party transactions

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

Included in creditors are balances due to directors of nil (2016 - £516,140).

23 Controlling party

The company is a wholly owned subsidiary of Ikonik 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 Ikonik Technology Limited.

The consolidated financial statements of Ikonik Technology Limited and its' controlled entities may be obtained from the company's business address Parklands Block P1 Unit 9 & 10, Heywood Distribution Park, Pilsworth Road, Heywood, Lancashire, OL10 2TT.