

COMPANY REGISTRATION NUMBER: 04185422

Net Communications 2 Limited
Unaudited financial statements
31 July 2021

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Net Communications 2 Limited

Statement of financial position

31 July 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	6		2,755		3,036
Current assets					
Debtors	7	116,677		118,762	
Cash at bank and in hand		<u>9,239</u>		<u>19,800</u>	
		125,916		138,562	
Creditors: Amounts falling due within one year	8	<u>(42,753)</u>		<u>(55,568)</u>	
Net current assets			83,163		82,994
Total assets less current liabilities			85,918		86,030
Provisions					
Taxation including deferred tax			<u>(412)</u>		<u>(441)</u>
Net assets			<u>85,506</u>		<u>85,589</u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account			<u>85,406</u>		<u>85,489</u>
Shareholders funds			<u>85,506</u>		<u>85,589</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 July 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

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


The statement of financial position
continues on the following page.
The notes on pages 3 to 6 form part of these financial statements.

Net Communications 2 Limited

Statement of financial position *(continued)*

31 July 2021

These financial statements were approved by the board of directors and authorised for issue on 07/03/2022, and are signed on behalf of the board by:



Mr S Gurney
Director

Company registration number: 04185422

The notes on pages 3 to 6 form part of these financial statements.

Net Communications 2 Limited

Notes to the financial statements

Year ended 31 July 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The registration number of the company is 04185422.

The address of the registered office and trading address of the company is The Old Coach House, Hall Road, Northrepps, Cromer, Norfolk, NR27 0JW.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax and deferred tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Net Communications 2 Limited

Notes to the financial statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10 years straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & fittings - 25% reducing balance
Motor vehicles - 25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Net Communications 2 Limited

Notes to the financial statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Government grants *(continued)*

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of employees during the year was 2 (2020: 2).

5. Intangible assets

	Goodwill £
Cost	
At 1 August 2020 and 31 July 2021	130,000
Amortisation	
At 1 August 2020 and 31 July 2021	130,000
Carrying amount	
At 31 July 2021	—
At 31 July 2020	—

Net Communications 2 Limited

Notes to the financial statements (continued)

Year ended 31 July 2021

6. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 August 2020	71,413	2,000	73,413
Additions	504	—	504
At 31 July 2021	71,917	2,000	73,917
Depreciation			
At 1 August 2020	68,387	1,990	70,377
Charge for the year	783	2	785
At 31 July 2021	69,170	1,992	71,162
Carrying amount			
At 31 July 2021	2,747	8	2,755
At 31 July 2020	3,026	10	3,036

7. Debtors

	2021 £	2020 £
Trade debtors	8,723	10,768
Other debtors	107,954	107,994
	116,677	118,762

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,543	2,128
Social security and other taxes	4,552	10,889
Other creditors	34,658	42,551
	42,753	55,568

9. Called up share capital

Issued, called up and fully paid

	2021 No.	£	2020 No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>