

Financial Statements
for the Year Ended 31 December 2020
for
Network 2 Supplies Limited

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for the Year Ended 31 December 2020

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Network 2 Supplies Limited
Company Information
for the Year Ended 31 December 2020

DIRECTORS: Mr J A Gomarsall
Mr A C T Gomarsall
Mrs K Sparkes
Mr S Morris

SECRETARY: Mrs K Sparkes

REGISTERED OFFICE: Eldo House
Kempson Way
Suffolk Business Park
Bury St Edmunds
Suffolk
IP32 7AR

REGISTERED NUMBER: 04617783 (England and Wales)

SENIOR STATUTORY AUDITOR: J Knights ACA BSc

AUDITORS: Knights Lowe Limited
Eldo House
Kempson Way
Suffolk Business Park
Bury St Edmunds
Suffolk
IP32 7AR

BANKERS: National Westminster Bank plc
7 Cornhill
Bury St Edmunds
Suffolk
IP33 1BQ

Network 2 Supplies Limited (Registered number: 04617783)

Balance Sheet
31 December 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	4		563,936		454,667
CURRENT ASSETS					
Stocks		210,746		167,379	
Debtors	5	1,210,648		1,101,344	
Cash at bank and in hand		366,399		478,675	
		1,787,793		1,747,398	
CREDITORS					
Amounts falling due within one year	6	1,310,131		1,268,120	
NET CURRENT ASSETS			477,662		479,278
TOTAL ASSETS LESS CURRENT LIABILITIES			1,041,598		933,945
CREDITORS					
Amounts falling due after more than one year	7		(308,461)		(74,696)
PROVISIONS FOR LIABILITIES	10		(104,488)		(83,064)
NET ASSETS			628,649		776,185
CAPITAL AND RESERVES					
Called up share capital	11		10		10
Retained earnings			628,639		776,175
SHAREHOLDERS' FUNDS			628,649		776,185

The notes on pages 4 to 10 form part of these financial statements

Network 2 Supplies Limited (Registered number: 04617783)

Balance Sheet - continued
31 December 2020

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 24 February 2021 and were signed on its behalf by:

Mr J A Gomarsall - Director

The notes on pages 4 to 10 form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2020

1. STATUTORY INFORMATION

Network 2 Supplies Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents the sales value of work completed at the balance sheet date excluding VAT. The Company's contractual obligations are performed over time therefore revenue is recognised as the contract activity progresses to reflect the Company's partial performance of its contractual obligations. Revenue is calculated by reference to the value of work performed.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold property costs	- 10% on cost
Plant and machinery	- 10 - 25% on reducing balance
Equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Government grants

Government grants are accounted for in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. **ACCOUNTING POLICIES - continued**

Stocks

There are three different types of stock the company hold valued as follows:

Scrap Materials

This is weighed at year-end and a conservative scrap material price is used based on the current London Metal Exchange prices.

Resale Stock

This is second hand computer equipment for resale. The second hand computer equipment market can have variable prices due to demand and management use their judgement to set an estimated sales price based on market conditions as at the year-end date. Then 60% of this is taken as the deemed purchase price for stock obtained from site clearances.

Any purchased stock is shown at the lower of cost and net realisable value.

Any items which become obsolete due to advances in technology are written down on a quarterly basis.

Work In Progress

This is resale stock from site clearances yet to pass testing to ensure it is of an acceptable standard for resale. Management will still use their judgement to set an estimated sales price based on market conditions as at the year-end date. Then 25% of this is taken as the deemed purchase price.

Stock which passes testing will go into resale stock and the deemed purchase price increased to 60% of estimated sales price. Stock which is not of an acceptable standard for resale will be scrapped for minimal value.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Government grants

Government grants in respect of capital expenditure are credited to the profit and loss account over the estimated useful life of the relevant fixed assets. The grants shown in the balance sheet represent the total grants receivable to date less the amount so far credited to the profit and loss account. The grants are conditional and in certain circumstances repayment of all or part of the grant may be required.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 67 (2019 - 66) .

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2020	1,103,655
Additions	274,185
Disposals	<u>(127,862)</u>
At 31 December 2020	<u>1,249,978</u>
DEPRECIATION	
At 1 January 2020	648,988
Charge for year	117,334
Eliminated on disposal	<u>(80,280)</u>
At 31 December 2020	<u>686,042</u>
NET BOOK VALUE	
At 31 December 2020	<u>563,936</u>
At 31 December 2019	<u>454,667</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

4. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery etc £
COST	
At 1 January 2020	299,720
Additions	71,126
Transfer to ownership	(63,480)
At 31 December 2020	<u>307,366</u>
DEPRECIATION	
At 1 January 2020	91,023
Charge for year	61,383
Transfer to ownership	(39,660)
At 31 December 2020	<u>112,746</u>
NET BOOK VALUE	
At 31 December 2020	<u>194,620</u>
At 31 December 2019	<u>208,697</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	735,089	647,593
Amounts owed by connected company	322,689	267,659
Other debtors	152,870	186,092
	<u>1,210,648</u>	<u>1,101,344</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Hire purchase contracts (see note 8)	74,486	85,354
Payments on account	120,640	101,515
Trade creditors	456,569	351,184
Taxation and social security	318,288	328,215
Other creditors	340,148	401,852
	<u>1,310,131</u>	<u>1,268,120</u>

Network 2 Supplies Limited (Registered number: 04617783)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Hire purchase contracts (see note 8)	58,461	74,696
Other creditors	250,000	-
	<u>308,461</u>	<u>74,696</u>

8. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020	2019
	£	£
Net obligations repayable:		
Within one year	74,486	85,354
Between one and five years	58,461	74,696
	<u>132,947</u>	<u>160,050</u>
	Non-cancellable	operating leases
	2020	2019
	£	£
Within one year	207,100	221,900
Between one and five years	800,000	807,100
In more than five years	350,000	550,000
	<u>1,357,100</u>	<u>1,579,000</u>

9. **SECURED DEBTS**

The following secured debts are included within creditors:

	2020	2019
	£	£
Hire purchase contracts	132,947	160,050
Other creditors	15,290	9,953
	<u>148,237</u>	<u>170,003</u>

The hire purchase contracts and finance leases are secured on the underlying assets.

Other creditors relates to credit card balances secured by a fixed and floating charge over the assets and trade of the company.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

10. PROVISIONS FOR LIABILITIES			2020	2019
			£	£
Deferred tax				
Other timing differences			(1,282)	(2,237)
Accelerated capital allowances			105,770	85,301
			<u>104,488</u>	<u>83,064</u>
				Deferred tax
				£
Balance at 1 January 2020				83,064
Accelerated capital allowances				20,469
Other timing differences				955
Balance at 31 December 2020				<u>104,488</u>
11. CALLED UP SHARE CAPITAL				
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2020	2019
			£	£
10	Ordinary	£1	<u>10</u>	<u>10</u>
12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006				
The Report of the Auditors was unqualified.				
J Knights ACA BSc (Senior Statutory Auditor) for and on behalf of Knights Lowe Limited				
13. CAPITAL COMMITMENTS				
			2020	2019
			£	£
Contracted but not provided for in the financial statements			<u>33,232</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

14. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2020 and 31 December 2019:

	2020	2019
	£	£
Mr J A Gomarsall		
Balance outstanding at start of year	-	-
Amounts advanced	7,341	-
Amounts repaid	(4,829)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>2,512</u>	<u>-</u>
Mr A C T Gomarsall		
Balance outstanding at start of year	-	-
Amounts advanced	14,879	-
Amounts repaid	(4,871)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>10,008</u>	<u>-</u>

These loans are amounts drawn to cover personal expenditure by the directors. They are repayable on demand. Where a loan has exceeded £10,000 during the year, interest has been charged at HMRC's agreed rate.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.