

Financial Statements
for the Year Ended 31 December 2021
for
Network 2 Supplies Limited

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for the Year Ended 31 December 2021

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Network 2 Supplies Limited
Company Information
for the Year Ended 31 December 2021

DIRECTORS: Mr J A Gomarsall
Mr A C T Gomarsall
Mrs K Sparkes
Mr S Morris
Mr R Bolton
Mr N J Razey
Mr S Taylor

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 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	4		650,570		563,936
CURRENT ASSETS					
Stocks		78,660		210,746	
Debtors	5	1,257,080		1,210,648	
Cash at bank and in hand		1,319,320		366,399	
		2,655,060		1,787,793	
CREDITORS					
Amounts falling due within one year	6	1,920,917		1,310,131	
NET CURRENT ASSETS			734,143		477,662
TOTAL ASSETS LESS CURRENT LIABILITIES			1,384,713		1,041,598
CREDITORS					
Amounts falling due after more than one year	7		(185,457)		(308,461)
PROVISIONS FOR LIABILITIES	10		(158,379)		(104,488)
NET ASSETS			1,040,877		628,649
CAPITAL AND RESERVES					
Called up share capital	11		10		10
Retained earnings			1,040,867		628,639
SHAREHOLDERS' FUNDS			1,040,877		628,649

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 2021

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 7 April 2022 and were signed on its behalf by:

Mrs K Sparkes - Director

Mr S Morris - 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 2021

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

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 prices based on market conditions as at the year-end date. Then 25% of this is taken as the deemed purchase price for stock which is generally obtained from site clearances. This year due to rebates due to site clearance customers upon the sale of resale items collected it was deemed correct to lower this percentage. In 2020 this was set at 60% of the estimated sales price.

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 2021

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 88 (2020 - 67) .

4. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
COST	
At 1 January 2021	1,249,978
Additions	279,606
Disposals	(76,383)
At 31 December 2021	<u>1,453,201</u>
DEPRECIATION	
At 1 January 2021	686,042
Charge for year	174,759
Eliminated on disposal	(58,170)
At 31 December 2021	<u>802,631</u>
NET BOOK VALUE	
At 31 December 2021	<u>650,570</u>
At 31 December 2020	<u>563,936</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

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 2021	307,366
Additions	185,151
Transfer to ownership	<u>(127,850)</u>
At 31 December 2021	<u>364,667</u>
DEPRECIATION	
At 1 January 2021	112,746
Charge for year	62,424
Transfer to ownership	<u>(64,408)</u>
At 31 December 2021	<u>110,762</u>
NET BOOK VALUE	
At 31 December 2021	<u>253,905</u>
At 31 December 2020	<u>194,620</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	523,407	735,089
Amounts owed by connected company	377,789	322,689
Other debtors	355,884	152,870
	<u>1,257,080</u>	<u>1,210,648</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Hire purchase contracts (see note 8)	90,637	74,486
Payments on account	120,309	120,640
Trade creditors	497,231	456,569
Taxation and social security	424,577	318,288
Other creditors	788,163	340,148
	<u>1,920,917</u>	<u>1,310,131</u>

Network 2 Supplies Limited (Registered number: 04617783)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

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

	2021	2020
	£	£
Hire purchase contracts (see note 8)	103,790	58,461
Other creditors	81,667	250,000
	<u>185,457</u>	<u>308,461</u>

8. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	90,637	74,486
Between one and five years	103,790	58,461
	<u>194,427</u>	<u>132,947</u>
	Non-cancellable	operating leases
	2021	2020
	£	£
Within one year	446,166	207,100
Between one and five years	1,414,772	800,000
In more than five years	150,000	350,000
	<u>2,010,938</u>	<u>1,357,100</u>

9. **SECURED DEBTS**

The following secured debts are included within creditors:

	2021	2020
	£	£
Hire purchase contracts	194,427	132,947
Other creditors	11,499	15,290
	<u>205,926</u>	<u>148,237</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 2021

10. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax		
Other timing differences	(432)	(1,282)
Accelerated capital allowances	158,811	105,770
	<u>158,379</u>	<u>104,488</u>
		Deferred tax
		£
Balance at 1 January 2021		104,488
Accelerated capital allowances		53,041
Other timing differences		850
Balance at 31 December 2021		<u>158,379</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
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

	2021	2020
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>33,232</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

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

The following advances and credits to directors subsisted during the years ended 31 December 2021 and 31 December 2020:

	2021	2020
	£	£
Mr J A Gomarsall		
Balance outstanding at start of year	2,512	-
Amounts advanced	5,936	7,341
Amounts repaid	(8,448)	(4,829)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>2,512</u>
Mr A C T Gomarsall		
Balance outstanding at start of year	10,008	-
Amounts advanced	2,003	14,879
Amounts repaid	(12,011)	(4,871)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>10,008</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.