

REGISTERED NUMBER: 13198327 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024
FOR
CM NETWORKX LIMITED**

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Income Statement	10
Consolidated Other Comprehensive Income	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Cash Flow Statement	16
Notes to the Consolidated Cash Flow Statement	17
Notes to the Consolidated Financial Statements	18

CM NETWORKX LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2024

DIRECTORS:

CK Beattie
MJ Buckby

REGISTERED OFFICE:

Forest House 2 Riley Road
Telford Way Industrial Estate
Kettering
Northamptonshire
NN16 8NN

REGISTERED NUMBER:

13198327 (England and Wales)

AUDITORS:

Bewers Turner & Co LLP
Chartered Accountants & Statutory Auditor
Portland House
11-13 Station Road
Kettering
Northamptonshire
NN15 7HH

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2024**

The directors present their strategic report of the company and the group for the year ended 31st March 2024.

The group consist of CM Networkx Limited, the parent company; CMS Networkx Limited, a dormant subsidiary; High Voltage Systems and Services Limited (HVSS), the main trading subsidiary; and lastly CMS Kettering Limited, a property management company.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

We continue to grow our client base across all market sectors, developing client relationships and securing growth.

The senior management team continue to focus on reputation and value for money, as well as attracting new colleagues by being a responsible and attractive employer.

New office space remains under review in various locations as the intent to have more regional offices remains.

Overall, HVSS had another strong year, maintaining and developing all work sectors across the UK including housebuilding, commercial, industrial, education and health; the mix of work has widened, providing opportunity and future growth.

Accreditation to ISO9001, 14001 and 45001 has been retained, as has all of the Lloyds requirements (NERS, GIRS and WIRS) needed to operate the business; we continue to review business opportunities against accreditation needs so that we remain aligned with client expectation.

HVSS maintains a strong focus on Health and Safety, reflected in its excellent track record.

During the year, recruitment, training and personnel development remained active; our staff in their respective teams being integral to our overall success. This has lead to new opportunities geographically, as well as individual work streams.

Investment into all aspects of the business continues with growth targeting the ongoing business plan; the impact of the increase in Corporation Tax as well as ongoing active investment in recruitment having an effect on costs, however, we still managed to increase our operating profit.

PRINCIPAL RISKS AND UNCERTAINTIES OF THE GROUP

The principal risks and uncertainties facing the group are:

MATERIALS

Whilst material pricing and availability have stabilised, this remains a key focus for the management team.

REGULATORY

The group operates within a consistent, reliable and regulated market place. The group is not aware of any changes in the regulated areas in which it operates, that could have an impact going forward to the future of our business.

CREDIT AND CASH FLOW RISK

The group has a wide client base and an ability to adapt to sector changes. The group takes appropriate measures to reduce the credit risk from the credit failure of clients to a manageable level. Cash flow is healthy and maintained through group processes and payment profiles.

MARKET CONDITIONS

All sectors are active and healthy, with particular re-engagement from the commercial work stream.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2024**

FINANCIAL KEY PERFORMANCE INDICATORS

The directors have monitored the progress and profit of the group, by reference to certain key performance indicators:

- Turnover of £36.8m (2023: £35.9m)
- Operating profit of £5.2m (2023: £5.1m)

ON BEHALF OF THE BOARD:

CK Beattie - Director

26th June 2024

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2024**

The directors present their report with the financial statements of the company and the group for the year ended 31st March 2024.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of an independent connections provider of electricity, gas and water utility services with the additional capability to carry out private high voltage electrical installations with ongoing inspection and maintenance services.

DIVIDENDS

The total distribution of dividends for the year ended 31st March 2024 will be £ 144,800 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2023 to the date of this report.

CK Beattie
MJ Buckby

DISCLOSURE IN THE STRATEGIC REPORT

The report of the directors should be read in conjunction with the strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2024**

AUDITORS

The auditors, Bowers Turner & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

MJ Buckby - Director

26th June 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CM NETWORKX LIMITED

Opinion

We have audited the financial statements of CM Networkx Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2024 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, 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, including Financial Reporting Standard 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 group's and of the parent company affairs as at 31st March 2024 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CM NETWORKX LIMITED

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Group Strategic Report or the Report of the Directors.

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 by the parent company, 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 Statement of Directors' Responsibilities set out on page four, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CM NETWORKX LIMITED

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company and determined that the most significant are those that relate to the reporting framework (Financial Reporting Standard 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Group and Parent Company has to comply with laws and regulations relating to its operations and health and safety.
- We understood how the Group and Parent Company is complying with those frameworks by making enquiries of management to understand how the Group and Parent Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation.
- We assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and determining revenue to be a fraud risk. We tested transactions identified back to independent evidence or source documentation. We obtained third party confirmations directly from the Group and Parent Company's banking partners to verify the cash held at the balance sheet date and the completeness of any commitments or contingencies.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of documentation, testing of specific journals identified based upon risk criteria and enquiries of management for correspondence with the relevant authorities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CM NETWORKX LIMITED

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 a Report of the Auditors 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.

Paul Bowers BSc FCA (Senior Statutory Auditor)
for and on behalf of Bowers Turner & Co LLP
Chartered Accountants & Statutory Auditor
Portland House
11-13 Station Road
Kettering
Northamptonshire
NN15 7HH

26th June 2024

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

**CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2024**

		2024	2023
	Notes	£	£
TURNOVER	3	36,800,639	35,862,352
Cost of sales		<u>28,297,143</u>	<u>28,397,187</u>
GROSS PROFIT		8,503,496	7,465,165
Administrative expenses		<u>3,324,406</u>	<u>2,402,199</u>
OPERATING PROFIT	5	5,179,090	5,062,966
Interest receivable and similar income		<u>168,487</u>	<u>48,764</u>
		5,347,577	5,111,730
Gain/loss on revaluation of investment property		<u>-</u>	<u>6,850</u>
		5,347,577	5,118,580
Interest payable and similar expenses	6	<u>3</u>	<u>13,898</u>
PROFIT BEFORE TAXATION		5,347,574	5,104,682
Tax on profit	7	<u>1,461,834</u>	<u>1,017,564</u>
PROFIT FOR THE FINANCIAL YEAR		3,885,740	4,087,118
Profit attributable to:			
Owners of the parent		<u>3,885,740</u>	<u>4,087,118</u>

The notes form part of these financial statements

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

**CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2024**

	Notes	2024 £	2023 £
PROFIT FOR THE YEAR		3,885,740	4,087,118
OTHER COMPREHENSIVE INCOME			
Revaluation of freehold property		-	112,984
Deferred tax movement		-	(16,712)
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	96,272
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,885,740</u>	<u>4,183,390</u>
Total comprehensive income attributable to: Owners of the parent		<u>3,885,740</u>	<u>4,183,390</u>

The notes form part of these financial statements

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

CONSOLIDATED BALANCE SHEET

31ST MARCH 2024

		2024		2023	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		2,933,658		3,068,024
Tangible assets	11		2,008,644		1,893,847
Investments	12		-		-
Investment property	13		262,500		262,500
			<u>5,204,802</u>		<u>5,224,371</u>
CURRENT ASSETS					
Stocks	14	545,585		349,250	
Debtors	15	13,293,349		9,411,335	
Cash at bank and in hand		14,013,779		15,723,045	
		<u>27,852,713</u>		<u>25,483,630</u>	
CREDITORS					
Amounts falling due within one year	16	17,753,790		19,189,823	
NET CURRENT ASSETS			<u>10,098,923</u>		<u>6,293,807</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			15,303,725		11,518,178
PROVISIONS FOR LIABILITIES	17		218,794		174,187
NET ASSETS			<u>15,084,931</u>		<u>11,343,991</u>
CAPITAL AND RESERVES					
Called up share capital	18		4,300,100		4,300,100
Revaluation reserve	19		96,272		96,272
Fair value reserve	19		5,137		5,137
Retained earnings	19		10,683,422		6,942,482
SHAREHOLDERS' FUNDS			<u>15,084,931</u>		<u>11,343,991</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26th June 2024 and were signed on its behalf by:

MJ Buckby - Director

The notes form part of these financial statements

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

COMPANY BALANCE SHEET

31ST MARCH 2024

		2024		2023	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12	6,483,100		6,482,250	
Investment property	13	-		-	
		<u>6,483,100</u>		<u>6,482,250</u>	
CURRENT ASSETS					
Debtors	15	4,294,379		4,118,131	
Cash at bank and in hand		<u>7,771,196</u>		<u>11,988,905</u>	
		12,065,575		16,107,036	
CREDITORS					
Amounts falling due within one year	16	<u>8,821,921</u>		<u>15,246,249</u>	
NET CURRENT ASSETS			<u>3,243,654</u>		<u>860,787</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,726,754</u>		<u>7,343,037</u>
CAPITAL AND RESERVES					
Called up share capital	18	4,300,100		4,300,100	
Retained earnings	19	<u>5,426,654</u>		<u>3,042,937</u>	
SHAREHOLDERS' FUNDS			<u>9,726,754</u>		<u>7,343,037</u>
Company's profit/(loss) for the financial year			<u>2,528,517</u>		<u>(47,041)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26th June 2024 and were signed on its behalf by:

MJ Buckby - Director

The notes form part of these financial statements

CM NETWORX LIMITED (REGISTERED NUMBER: 13198327)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2024**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Fair value reserve £	Total equity £
Balance at 1st April 2022	4,300,100	4,170,501	-	-	8,470,601
Changes in equity					
Dividends	-	(1,310,000)	-	-	(1,310,000)
Total comprehensive income	-	4,087,118	96,272	-	4,183,390
Reserve transfer	-	(6,850)	-	6,850	-
Deferred tax movement	-	1,713	-	(1,713)	-
Balance at 31st March 2023	4,300,100	6,942,482	96,272	5,137	11,343,991
Changes in equity					
Dividends	-	(144,800)	-	-	(144,800)
Total comprehensive income	-	3,885,740	-	-	3,885,740
Balance at 31st March 2024	4,300,100	10,683,422	96,272	5,137	15,084,931

The notes form part of these financial statements

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2024**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st April 2022	4,300,100	4,399,978	8,700,078
Changes in equity			
Dividends	-	(1,310,000)	(1,310,000)
Total comprehensive income	-	(47,041)	(47,041)
Balance at 31st March 2023	<u>4,300,100</u>	<u>3,042,937</u>	<u>7,343,037</u>
Changes in equity			
Dividends	-	(144,800)	(144,800)
Total comprehensive income	-	2,528,517	2,528,517
Balance at 31st March 2024	<u>4,300,100</u>	<u>5,426,654</u>	<u>9,726,754</u>

The notes form part of these financial statements

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2024**

		2024	2023
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(62,543)	8,047,240
Interest paid		(3)	(13,898)
Tax paid		(1,270,390)	(1,621,326)
Net cash from operating activities		<u>(1,332,936)</u>	<u>6,412,016</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(444,516)	(648,492)
Sale of tangible fixed assets		44,499	18,999
Interest received		168,487	48,764
Net cash from investing activities		<u>(231,530)</u>	<u>(580,729)</u>
Cash flows from financing activities			
Equity dividends paid		(144,800)	(1,310,000)
Net cash from financing activities		<u>(144,800)</u>	<u>(1,310,000)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,709,266)</u>	<u>4,521,287</u>
Cash and cash equivalents at beginning of year	2	15,723,045	11,201,758
Cash and cash equivalents at end of year	2	<u>14,013,779</u>	<u>15,723,045</u>

The notes form part of these financial statements

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2024**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2024	2023
	£	£
Profit before taxation	5,347,574	5,104,682
Depreciation charges	405,065	318,250
Loss on disposal of fixed assets	14,522	8,838
Gain on revaluation of fixed assets	-	(6,850)
Finance costs	3	13,898
Finance income	<u>(168,487)</u>	<u>(48,764)</u>
	5,598,677	5,390,054
Increase in stocks	<u>(196,335)</u>	<u>(151,177)</u>
Increase in trade and other debtors	<u>(3,882,014)</u>	<u>(1,224,082)</u>
(Decrease)/increase in trade and other creditors	<u>(1,582,871)</u>	<u>4,032,445</u>
Cash generated from operations	<u>(62,543)</u>	<u>8,047,240</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2024

	31/3/24	1/4/23
	£	£
Cash and cash equivalents	<u>14,013,779</u>	<u>15,723,045</u>

Year ended 31st March 2023

	31/3/23	1/4/22
	£	£
Cash and cash equivalents	<u>15,723,045</u>	<u>11,201,758</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/23	Cash flow	At 31/3/24
	£	£	£
Net cash			
Cash at bank and in hand	<u>15,723,045</u>	<u>(1,709,266)</u>	<u>14,013,779</u>
	<u>15,723,045</u>	<u>(1,709,266)</u>	<u>14,013,779</u>
Total	<u>15,723,045</u>	<u>(1,709,266)</u>	<u>14,013,779</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024**

1. STATUTORY INFORMATION

CM Networkx 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 General 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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation

The acquisition of High Voltage Systems and Services Limited, CMS Kettering Limited, and CMS Networkx Limited are accounted for under the acquisition method after first making adjustments to the fair value of assets and liabilities acquired. Any difference between the fair value of consideration paid and the fair value of net assets acquired is capitalised as goodwill on consolidation. The results of these subsidiaries are included in the profit and loss account only from the date control passed to CM Networkx Limited.

Significant judgements and estimates

In the application of the company's accounting policies management are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The following are key areas of significant judgement:

- The recognition of revenue of installation contracts, further explained in the "revenue and income recognition" accounting policy, below.

- The market values and depreciable amounts of the properties.

- The expected useful economic life of goodwill.

There are no other significant judgements which have a significant effect on the amounts recognised in the financial statements and the company has made no other significant estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Turnover

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

Goodwill

The goodwill arises on the consolidation of the group and is being amortised over an estimated useful economic life of twenty five years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2024

2. ACCOUNTING POLICIES - continued

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are stated at cost or revalued amount less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Income Statement.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The company is party to only the basic financial instruments such as cash, trade debtors and creditors. Instruments such as trade debtors and trade creditors are initially recognised at their transaction cost and reviewed at the year end for impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2024

2. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement benefits**

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

Income recognition

Installation contracts have a number of major and minor components, often with different end customers. The directors group together components that are so closely linked that their commercial effect cannot be fully understood if they were reported on separately. This includes components that may not be realised until some years after the major contract work has been completed. Contracts are billed in advance for materials and then periodically as the work progresses. Where amounts billed exceed the value of the work done, the directors defer revenue within "deferred income". Unbilled work is included within "Amounts recoverable on contracts". The value of work done is assessed by the directors and the project management team, this requires a significant area of judgement on the directors' part.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

4. EMPLOYEES AND DIRECTORS

	2024	2023
	£	£
Wages and salaries	4,674,320	3,680,869
Social security costs	528,761	433,996
Other pension costs	203,454	156,291
	<u>5,406,535</u>	<u>4,271,156</u>

The average number of employees during the year was as follows:

	2024	2023
Directors	2	2
Technical and operations	41	36
Sales and administration	44	38
	<u>87</u>	<u>76</u>

	2024	2023
	£	£
Directors' remuneration	<u>41,700</u>	<u>43,700</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2024	2023
Money purchase schemes	<u>1</u>	<u>1</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2024

5. OPERATING PROFIT

The operating profit is stated after charging:

	2024	2023
	£	£
Depreciation - owned assets	270,698	183,884
Loss on disposal of fixed assets	14,522	8,838
Goodwill amortisation	134,366	134,366
Auditors' remuneration	<u>18,000</u>	<u>18,000</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2024	2023
	£	£
Other interest	<u>3</u>	<u>13,898</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2024	2023
	£	£
Current tax:		
UK corporation tax	1,417,227	941,462
Deferred tax	44,607	76,102
Tax on profit	<u>1,461,834</u>	<u>1,017,564</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2024	2023
	£	£
Profit before tax	<u>5,347,574</u>	<u>5,104,682</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25 % (2023 - 19 %)	1,336,894	969,890
Effects of:		
Permanent differences	125,447	51,684
Effect of different tax rates	(507)	(4,010)
Total tax charge	<u>1,461,834</u>	<u>1,017,564</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31st March 2024.

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2024

7. TAXATION - continued

	Gross	2023 Tax	Net
	£	£	£
Revaluation of freehold property	112,984	-	112,984
Deferred tax movement	(16,712)	-	(16,712)
	<u>96,272</u>	<u>-</u>	<u>96,272</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2024	2023
	£	£
Ordinary shares of £1 each		
Interim	<u>144,800</u>	<u>1,310,000</u>

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1st April 2023	
and 31st March 2024	<u>3,359,150</u>
AMORTISATION	
At 1st April 2023	291,126
Amortisation for year	134,366
At 31st March 2024	<u>425,492</u>
NET BOOK VALUE	
At 31st March 2024	<u>2,933,658</u>
At 31st March 2023	<u>3,068,024</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2024

11. TANGIBLE FIXED ASSETS**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1st April 2023	1,138,637	28,040	230,044	728,140	2,124,861
Additions	13,792	14,369	117,962	298,393	444,516
Disposals	-	-	(45,974)	(142,367)	(188,341)
At 31st March 2024	<u>1,152,429</u>	<u>42,409</u>	<u>302,032</u>	<u>884,166</u>	<u>2,381,036</u>
DEPRECIATION					
At 1st April 2023	8,329	12,289	76,700	133,696	231,014
Charge for year	34,444	5,313	46,051	184,890	270,698
Eliminated on disposal	-	-	(34,969)	(94,351)	(129,320)
At 31st March 2024	<u>42,773</u>	<u>17,602</u>	<u>87,782</u>	<u>224,235</u>	<u>372,392</u>
NET BOOK VALUE					
At 31st March 2024	<u>1,109,656</u>	<u>24,807</u>	<u>214,250</u>	<u>659,931</u>	<u>2,008,644</u>
At 31st March 2023	<u>1,130,308</u>	<u>15,751</u>	<u>153,344</u>	<u>594,444</u>	<u>1,893,847</u>

The value of the properties are not materially different to the independent valuation undertaken in June 2023.

Cost or valuation at 31st March 2024 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2023	80,849	-	-	-	80,849
Cost	<u>1,071,580</u>	<u>42,409</u>	<u>302,032</u>	<u>884,166</u>	<u>2,300,187</u>
	<u>1,152,429</u>	<u>42,409</u>	<u>302,032</u>	<u>884,166</u>	<u>2,381,036</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2024

12. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1st April 2023	6,482,250
Additions	850
At 31st March 2024	<u>6,483,100</u>
NET BOOK VALUE	
At 31st March 2024	<u>6,483,100</u>
At 31st March 2023	<u>6,482,250</u>

On 28 March 2024 CMS Networkx Limited distributed its investments in CMS Kettering Limited and High Voltage Systems and Services Limited to CM Networkx Limited.

At the balance sheet date, the company owns 100% of the total share capital of the companies listed below. Each company has the same registered office as CM Networkx Limited:

CMS Kettering Limited - Property management.
 CMS Networkx Limited - Dormant.
 High Voltage Systems and Services Limited - Installation contractors.

13. INVESTMENT PROPERTY

Group	Total £
FAIR VALUE	
At 1st April 2023 and 31st March 2024	<u>262,500</u>
NET BOOK VALUE	
At 31st March 2024	<u>262,500</u>
At 31st March 2023	<u>262,500</u>
Fair value at 31st March 2024 is represented by:	
	£
Valuation in 2023	6,850
Cost	<u>255,650</u>
	<u>262,500</u>

The value of the property is not materially different to the independent valuation undertaken in June 2023.

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2024

14. STOCKS

	Group	
	2024	2023
	£	£
Stocks	<u>545,585</u>	<u>349,250</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	
	2024	2023	2024
	£	£	£
Trade debtors	5,037,573	4,706,174	-
Amounts owed by group undertakings	-	-	3,899,961
Amounts recoverable on contract	3,682,664	3,807,003	-
Other debtors	3,025	220,621	325
Directors' loan accounts	4,294,054	-	4,294,054
VAT	-	365,466	-
Prepayments and accrued income	276,033	312,071	-
	<u>13,293,349</u>	<u>9,411,335</u>	<u>4,294,379</u>
			<u>4,118,131</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	
	2024	2023	2024
	£	£	£
Trade creditors	3,448,520	3,360,934	-
Deferred income	12,942,707	14,997,539	-
Amounts owed to group undertakings	-	-	8,785,888
Corporation tax	652,245	505,408	36,033
PAYE and NIC	150,211	191,287	-
VAT	363,694	-	-
Other creditors	89,260	71,414	-
Pension creditor	28,998	-	-
Directors' loan accounts	-	5,946	-
Accruals	78,155	57,295	-
	<u>17,753,790</u>	<u>19,189,823</u>	<u>8,821,921</u>
			<u>15,246,249</u>

17. PROVISIONS FOR LIABILITIES

	Group	
	2024	2023
	£	£
Deferred tax	<u>218,794</u>	<u>174,187</u>

CM NETWORKX LIMITED (REGISTERED NUMBER: 13198327)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2024

17. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1st April 2023	174,187
Provided during year	44,607
Balance at 31st March 2024	<u>218,794</u>

Deferred tax consists of liabilities in respect of fixed asset timing differences.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2024 £	2023 £
100	Ordinary	£1	100	100
4,300,000	Non Redeemable Preference	£1	<u>4,300,000</u>	4,300,000
			<u>4,300,100</u>	<u>4,300,100</u>

The ordinary shares have full voting and dividend rights.

The preference shares have no voting or dividend rights and preference over the ordinary shares on winding up.

19. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Fair value reserve £	Totals £
At 1st April 2023	6,942,482	96,272	5,137	7,043,891
Profit for the year	3,885,740			3,885,740
Dividends	(144,800)			(144,800)
At 31st March 2024	<u>10,683,422</u>	<u>96,272</u>	<u>5,137</u>	<u>10,784,831</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2024

19. RESERVES - continued**Company**

	Retained earnings £
At 1st April 2023	3,042,937
Profit for the year	2,528,517
Dividends	<u>(144,800)</u>
At 31st March 2024	<u><u>5,426,654</u></u>

Retained earnings

Retained earnings represents cumulative profits net of dividends paid.

Revaluation reserve

Includes cumulative unrealised gains and losses net of deferred tax on the revaluation of property.

Fair value reserve

Includes cumulative unrealised gains and losses net of deferred tax on the revaluation of the investment property.

20. PENSION COMMITMENTS

The group operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £204,084 (2023: £156,921).

21. ULTIMATE PARENT COMPANY

CM Networkx Limited is the ultimate parent company of the group.

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the balance sheet date, CK Beattie owed the company £2,099,077 and MJ Buckby owed the company £2,194,977. No interest is charged on the loans and there are no set terms for repayment.

23. ULTIMATE CONTROLLING PARTY

CK Beattie and MJ Buckby are the ultimate controlling party.

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.