

COMPANY REGISTRATION NUMBER: 03027531

*Companies
House*

IKB INTERNATIONAL PLC
Financial Statements
31 March 2019



MANSS AHMED & CO
Chartered Certified accountants & statutory auditor
19 Hinchley Drive
Esher
Surrey
KT10 0BZ

IKB INTERNATIONAL PLC

Financial Statements

Year ended 31 March 2019

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IKB INTERNATIONAL PLC

Officers and Professional Advisers

The board of directors

I K Burhan
Mrs M Burhan
A L Burhan

Company secretary

Mrs M Burhan

Registered office

IKB House
230 Edgware Road
London
W2 1DW

Auditor

Manss Ahmed & Co
Chartered Certified accountants & statutory auditor
19 Hinchley Drive
Esher
Surrey
KT10 0BZ

IKB INTERNATIONAL PLC

Strategic Report

Year ended 31 March 2019

The directors present their strategic report for the year ended 31 March 2019.

Principal activity and review of business

The principal activity of the company during the year was general trading and consultancy services for overseas and UK projects.

Despite the depletion of GBP against foreign currencies arising partly due to the Brexit uncertainty, the directors are pleased to report a substantial turnover growth of the company. This has resulted in a significant increase in profits for the year, despite higher overheads.

Key performance indicators (KPI)

The company continues monitoring a number of KPIs in respect of sales, gross profit, return on capital employed, and operating cash flow (refer to pages 10 to 13 inclusive) of the company.

Principal risk and uncertainties

The bulk of the company's trading income is generated from contracts placed in Iraq. Given the volatile political situation in the region, the directors are always seeking to diversify the company's trading activities with other countries, whilst continuing to maintain its relations with Iraq.

Foreign exchange

The company has a fairly significant level of exposure to foreign currency fluctuations. The directors continuously take appropriate actions after assessing and reviewing the situation to minimise the effect of such fluctuations.

Future projects

The company expects to grow organically throughout the year 2019/20.

Employees

The company's employment policy is to provide equal opportunity to all current and prospective employees without discrimination. It provides work environment in which all individuals are treated with respect and dignity.

Social, environmental and ethical matters

The company believes that by operating in an ethical and socially aware manner it will help to preserve the environment. It is integral part of efficient and profitable business management and recognises that success in these areas depends on the involvement and commitment of everyone in the organisation.

IKB INTERNATIONAL PLC

Strategic Report *(continued)*

Year ended 31 March 2019

This report was approved by the board of directors on 13 September 2019 and signed on behalf of the board by:



Mrs M Burhan
Director

Registered office:
IKB House
230 Edgware Road
London
W2 1DW

IKB INTERNATIONAL PLC

Directors' Report

Year ended 31 March 2019

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

Directors

The directors who served the company during the year were as follows:

I K Burhan
Mrs M Burhan
A L Burhan

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Future developments

The directors anticipate further growth in the ensuing year as the company strengthens its position and increases its market share.

Financial instruments

Liquidity risk

The company manages its cash requirements effectively, whilst ensuring it has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk

The company's principal foreign currency exposures arise from its dealing with overseas companies. The company policy permits but does not demand that these exposures may be hedged in order to fix the cost in UK sterling.

Credit risk

The company is not exposed to credit risk as all its income is derived on a receipts basis.

General risk

The bulk of the company's trading income is generated from contracts placed in Iraq. Given the volatile political situation in the region, the directors are always seeking to diversify the company's trading activities with other countries, whilst continuing to maintain its relations with Iraq.

Events after the end of the reporting period

There have been no significant events since 31 March 2019.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

IKB INTERNATIONAL PLC

Directors' Report *(continued)*

Year ended 31 March 2019

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 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 judgments 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 13 September 2019 and signed on behalf of the board by:



Mrs M Burhan
Director

Registered office:
IKB House
230 Edgware Road
London
W2 1DW

IKB INTERNATIONAL PLC

Independent Auditor's Report to the Members of IKB INTERNATIONAL PLC

Year ended 31 March 2019

Opinion

I have audited the financial statements of IKB INTERNATIONAL PLC (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the FRC's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me 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.

IKB INTERNATIONAL PLC

Independent Auditor's Report to the Members of IKB INTERNATIONAL PLC (continued)

Year ended 31 March 2019

Other information

The other information comprises the information included in the annual report, other than the financial statements and my auditor's report thereon. The directors are responsible for the other information. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In my opinion, based on the work undertaken in the course of the 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.

Matters on which I am 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, I have not identified material misstatements in the strategic report or the directors' report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by me; 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
- I have not received all the information and explanations I require for my audit.

IKB INTERNATIONAL PLC

Independent Auditor's Report to the Members of IKB INTERNATIONAL PLC

(continued)

Year ended 31 March 2019

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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

My 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 my 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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IKB INTERNATIONAL PLC

Independent Auditor's Report to the Members of IKB INTERNATIONAL PLC

(continued)

Year ended 31 March 2019

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Use of my 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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

Waqar A Hussain
Manss Ahmed & Co
Chartered Certified accountants & statutory auditor
19 Hinchley Drive
Esher
Surrey
KT10 0BZ

16 September 2019

IKB INTERNATIONAL PLC

Statement of Comprehensive Income

Year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	1,217,676	597,115
Cost of sales		68,870	24,571
Gross profit		1,148,806	572,544
Administrative expenses		620,000	436,056
Operating profit	5	528,806	136,488
Interest payable and similar expenses	9	178	174
Profit before taxation		528,628	136,314
Tax on profit	10	101,111	29,007
Profit for the financial year and total comprehensive income		427,517	107,307

All the activities of the company are from continuing operations.

The notes on pages 14 to 23 form part of these financial statements.

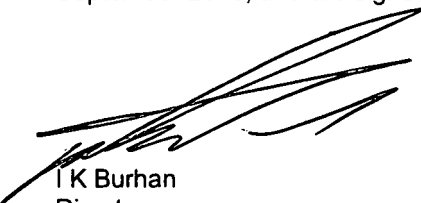
IKB INTERNATIONAL PLC

Statement of Financial Position

31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	44,297	36,507
Current assets			
Debtors	13	131,425	129,481
Cash at bank and in hand		299,950	195
		<u>431,375</u>	<u>129,676</u>
Creditors: amounts falling due within one year	15	170,707	90,250
Net current assets		<u>260,668</u>	<u>39,426</u>
Total assets less current liabilities		<u>304,965</u>	<u>75,933</u>
Provisions	16	8,258	6,743
Net assets		<u>296,707</u>	<u>69,190</u>
Capital and reserves			
Called up share capital	20	50,000	50,000
Profit and loss account	21	246,707	19,190
Shareholders funds		<u>296,707</u>	<u>69,190</u>

These financial statements were approved by the board of directors and authorised for issue on 13 September 2019, and are signed on behalf of the board by:



I K Burhan
Director

Company registration number: 03027531

The notes on pages 14 to 23 form part of these financial statements.

IKB INTERNATIONAL PLC

Statement of Changes in Equity

Year ended 31 March 2019

		Called up share capital £	Profit and loss account £	Total £
At 1 April 2017		50,000	116,883	166,883
Profit for the year		—	107,307	107,307
Total comprehensive income for the year		—	107,307	107,307
Dividends paid and payable	11	—	(205,000)	(205,000)
Total investments by and distributions to owners		—	(205,000)	(205,000)
At 31 March 2018		50,000	19,190	69,190
Profit for the year		—	427,517	427,517
Total comprehensive income for the year		—	427,517	427,517
Dividends paid and payable	11	—	(200,000)	(200,000)
Total investments by and distributions to owners		—	(200,000)	(200,000)
At 31 March 2019		<u>50,000</u>	<u>246,707</u>	<u>296,707</u>

The notes on pages 14 to 23 form part of these financial statements.

IKB INTERNATIONAL PLC

Statement of Cash Flows

Year ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the financial year		427,517	107,307
<i>Adjustments for:</i>			
Depreciation of tangible assets		14,766	21,216
Interest payable and similar expenses		178	174
Tax on profit		101,111	29,007
Accrued (income)/expenses		(30,623)	623
<i>Changes in:</i>			
Trade and other debtors		(1,944)	1,807
Trade and other creditors		14,126	(78)
Cash generated from operations		525,131	160,056
Interest paid		(178)	(174)
Tax paid		(29,920)	(41,861)
Net cash from operating activities		<u>495,033</u>	<u>118,021</u>
Cash flows from investing activities			
Purchase of tangible assets		(22,556)	(12,535)
Net cash used in investing activities		<u>(22,556)</u>	<u>(12,535)</u>
Cash flows from financing activities			
Proceeds from borrowings		46,877	(1,139)
Dividends paid		(200,000)	(205,000)
Net cash used in financing activities		<u>(153,123)</u>	<u>(206,139)</u>
Net increase/(decrease) in cash and cash equivalents		319,354	(100,653)
Cash and cash equivalents at beginning of year		<u>(19,404)</u>	<u>81,249</u>
Cash and cash equivalents at end of year	14	<u>299,950</u>	<u>(19,404)</u>

The notes on pages 14 to 23 form part of these financial statements.

IKB INTERNATIONAL PLC

Notes to the Financial Statements

Year ended 31 March 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is IKB House, 230 Edgware Road, London, W2 1DW.

2. Statement of compliance

These financial statements have been prepared in compliance with 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, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

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.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

IKB INTERNATIONAL PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Income 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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

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:

Short leasehold property	-	over the period of lease
Fixtures and fittings	-	25% reducing balance
Equipment	-	25% reducing balance

IKB INTERNATIONAL PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

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.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

IKB INTERNATIONAL PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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. Turnover

Turnover arises from:

	2019	2018
	£	£
Rendering of services	<u>1,217,676</u>	<u>597,115</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2019	2018
	£	£
Overseas	<u>1,217,676</u>	<u>597,115</u>

IKB INTERNATIONAL PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

5. Operating profit

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	<u>14,766</u>	<u>21,216</u>

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>2,500</u>	<u>2,500</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Administrative staff	13	12
Management staff	<u>1</u>	<u>1</u>
	<u>14</u>	<u>13</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	371,672	243,461
Social security costs	34,659	22,420
Other pension costs	<u>6,583</u>	<u>4,422</u>
	<u>412,914</u>	<u>270,303</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	33,917	21,633
Company contributions to defined contribution pension plans	<u>2,907</u>	<u>2,233</u>
	<u>36,824</u>	<u>23,866</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2019	2018
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

IKB INTERNATIONAL PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

9. Interest payable and similar expenses

	2019 £	2018 £
Interest on overdue tax	143	117
Interest on banks loans and overdrafts	35	57
	<u>178</u>	<u>174</u>

10. Tax on profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	99,596	29,920
Deferred tax:		
Origination and reversal of timing differences	1,515	(913)
Tax on profit	<u>101,111</u>	<u>29,007</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	528,628	136,314
Profit on ordinary activities by rate of tax	100,439	25,900
Effect of expenses not deductible for tax purposes	3,477	6,444
Effect of capital allowances and depreciation	(4,320)	(2,424)
Effect of origination and reversal of timing differences	1,515	(913)
Tax on profit	<u>101,111</u>	<u>29,007</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019 £	2018 £
Dividends on equity shares	<u>200,000</u>	<u>205,000</u>

IKB INTERNATIONAL PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

12. Tangible assets

	Short leasehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 April 2018	68,155	102,170	116,790	287,115
Additions	–	3,289	19,267	22,556
At 31 March 2019	68,155	105,459	136,057	309,671
Depreciation				
At 1 April 2018	68,154	90,212	92,242	250,608
Charge for the year	–	3,812	10,954	14,766
At 31 March 2019	68,154	94,024	103,196	265,374
Carrying amount				
At 31 March 2019	1	11,435	32,861	44,297
At 31 March 2018	1	11,958	24,548	36,507

13. Debtors

	2019 £	2018 £
IKB (Travel & Tours) Limited	128,000	128,000
Other debtors	3,425	1,481
	131,425	129,481

The debtors above include the following amounts falling due after more than one year:

	2019 £	2018 £
IKB (Travel & Tours) Limited	128,000	128,000

The above is a loan to the associated company, which is subordinated to the Civil Aviation Authority (CAA) and cannot be withdrawn without CAA's prior written consent.

14. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2019 £	2018 £
Cash at bank and in hand	299,950	195
Bank overdrafts	–	(19,599)
	299,950	(19,404)

IKB INTERNATIONAL PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

15. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	–	19,599
Accruals and deferred income	5,000	35,623
Corporation tax	99,595	29,919
Social security and other taxes	–	4,455
Director loan accounts	47,531	654
Other creditors	18,581	–
	<u>170,707</u>	<u>90,250</u>

16. Provisions

	Deferred tax (note 17)
	£
At 1 April 2018	6,743
Additions	1,515
At 31 March 2019	<u>8,258</u>

17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 16)	<u>8,258</u>	<u>6,743</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	<u>8,258</u>	<u>6,743</u>

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £3,676 (2018: £2,189).

IKB INTERNATIONAL PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

19. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost - other debtors	131,425	129,481
Financial assets that are debt instruments measured at amortised cost - cash at bank and in hand	299,950	195
	<u>431,375</u>	<u>129,676</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost - bank overdrafts	–	19,599
Financial liabilities measured at amortised cost - other creditors	170,707	70,651
Financial liabilities measured at amortised cost - provisions	8,258	6,743
	<u>178,965</u>	<u>96,993</u>

20. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

21. Reserves

The profit and loss reserves at 31 March 2019 comprise of the following:

	£
Balance brought forward	19,190
Profit for the financial year	427,517
Equity dividends	(200,000)
Balance carried forward	<u>£246,707</u> =====

22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than 1 year	<u>–</u>	<u>30,000</u>

IKB INTERNATIONAL PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

22. Operating leases *(continued)*

Rents are fixed for two years with an option to extend biannually at the market rate. Amounts payable with one year is £30,000 (2018: £30,000).

23. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

2019				
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
I K Burhan	(654)	265,141	(312,018)	(47,531)

2018				
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
I K Burhan	(1,793)	322,729	(321,590)	(654)

24. Related party transactions

During the year ended 31 March 2019 the company entered into various transactions with its connected company IKB (Travel & Tours) Limited, in which I K Burhan is also a director and controlling shareholder. These transactions included the purchase of air tickets, and also the sharing of the leasehold premises situate 230 Edgware Road, London W2 1DW, from which both these connected companies operate. The company's share of the annual establishment costs amounted to approximately 35%. In addition, the company entered into various transactions with its family connected company, Al Burhan Group which is registered in Iraq. All the transactions were on a commercial basis and carried out at arm's length.

At 31 March 2019 the aggregate sum due to IKB (Travel & Tours) Limited amounted to £Nil (2018: £Nil).

At 31 March 2019 the aggregate sum due to Al Burhan Group amounted to Nil (2018: £Nil).

In support of trading obligations, I K Burhan has personally guaranteed the company, and its connected company IKB (Travel & Tours) Limited's credit card facilities up to £40,000.

25. Controlling party

During the previous and current year the company was under the control of its director, I K Burhan, who by virtue of Mrs M Burhan's shareholding, owns the entire issued share capital.