

AI Networks Limited

Unaudited Financial Statements

For Filing with Registrar

For the period ended 30 September 2019

Company Registration No. 07276603 (England and Wales)

AI Networks Limited

Company Information

Directors	M Boost T Creswick (Appointed 31 July 2019)
Company number	07276603
Registered office	Devonshire House 60 Goswell Road London EC1M 7AD
Accountants	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Business address	16 Dufferin Street London United Kingdom EC1Y 8PD

AI Networks Limited

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AI Networks Limited

Balance Sheet

As at 30 September 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets			7,167		35,500
Tangible assets	4		174,604		547,356
Investments	5		1		1
			<u>181,772</u>		<u>582,857</u>
Current assets					
Stock		-		2,947	
Debtors	6	264,713		163,856	
Cash at bank and in hand		74,863		29,996	
		<u>339,576</u>		<u>196,799</u>	
Creditors: amounts falling due within one year	7	<u>(515,514)</u>		<u>(826,772)</u>	
Net current liabilities			<u>(175,938)</u>		<u>(629,973)</u>
Total assets less current liabilities			5,834		(47,116)
Creditors: amounts falling due after more than one year	8		-		(287,300)
Provisions for liabilities			<u>(31,010)</u>		<u>-</u>
Net liabilities			<u>(25,176)</u>		<u>(334,416)</u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss reserves			<u>(25,276)</u>		<u>(334,516)</u>
Total equity			<u>(25,176)</u>		<u>(334,416)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 30 September 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

AI Networks Limited

Balance Sheet (Continued)

As at 30 September 2019

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

The financial statements were approved by the board of directors and authorised for issue on 30 September 2020 and are signed on its behalf by:

T Creswick
Director

Company Registration No. 07276603

AI Networks Limited

Notes to the Financial Statements

For the period ended 30 September 2019

1 Accounting policies

Company information

AI Networks Limited is a private company limited by shares incorporated in England and Wales. The registered office is Devonshire House, 60 Goswell Road, London, EC1M 7AD.

1.1 Accounting convention

These financial statements have been prepared in accordance with section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Reporting period

The company's reporting period has been extended to 30 September 2019 to align the year end with its parent entity. Therefore comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% straight line
Domain name	20% straight line

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

AI Networks Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2019

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the term of the lease
Plant and equipment	10% straight line
Fixtures and fittings	10% straight line
Computer equipment	20% - 33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

AI Networks Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2019

1 Accounting policies

(Continued)

1.8 Stock

Stock are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Stock held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

AI Networks Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

AI Networks Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2019

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 2 (2018 - 2).

3 Intangible fixed assets

	Domain name £
Cost	
At 1 May 2018	100,640
Disposals	(640)
	<hr/>
At 30 September 2019	100,000
	<hr/>
Amortisation and impairment	
At 1 May 2018	65,140
Amortisation charged for the period	28,333
Disposals	(640)
	<hr/>
At 30 September 2019	92,833
	<hr/>
Carrying amount	
At 30 September 2019	7,167
	<hr/>
At 30 April 2018	35,500
	<hr/>

AI Networks Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2019

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 May 2018	149,581	1,147,755	1,297,336
Additions	-	190,687	190,687
Disposals	(149,581)	(1,097,253)	(1,246,834)
At 30 September 2019	-	241,189	241,189
Depreciation and impairment			
At 1 May 2018	79,962	670,018	749,980
Depreciation charged in the period	14,958	142,672	157,630
Eliminated in respect of disposals	(94,920)	(746,105)	(841,025)
At 30 September 2019	-	66,585	66,585
Carrying amount			
At 30 September 2019	-	174,604	174,604
At 30 April 2018	69,619	477,737	547,356

5 Fixed asset investments

	2019	2018 as restated
	£	£
Investments	1	1

AI Networks Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2019

5 Fixed asset investments (Continued)

Movements in fixed asset investments

Shares in group
undertakings and
participating
interests

£

Cost or valuation

At 1 May 2018 & 30 September 2019

1

Carrying amount

At 30 September 2019

1

At 30 April 2018

1

6 Debtors

2019

2018

Amounts falling due within one year:

£

£

Trade debtors

135,576

35,372

Amounts due from group undertakings

2,630

6,123

Other debtors

126,507

122,361

264,713

163,856

7 Creditors: amounts falling due within one year

2019

2018

as restated

£

£

Trade creditors

80,399

56,423

Amounts due to group undertakings

142,379

341,236

Corporation tax

35,662

-

Other taxation and social security

10,659

3,475

Other creditors

246,415

425,638

515,514

826,772

AI Networks Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2019

8 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	-	287,300

9 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1 each	100	100
	100	100

10 Related party transactions

During the year the company paid for IT communication and solution services totaling £1,773,567 to Serverchoice Limited, a company of which M Boost is also a director. AI Networks also invoiced Serverchoice Limited a total of £1,082,077 for connectivity services provided. At the year end there was £134 due to Serverchoice Limited.

During the year the company paid for cyber security services totaling £11,290 to Bulletproof Cyber Limited, a company of which M Boost is also a director. AI Networks also invoiced Bulletproof Cyber Limited a total of £12,278 for connectivity services provided. At the year end there was £1,388 outstanding from Bulletproof Cyber Limited.

During the year the company paid for cloud platform services totaling £83,133 to Civo Limited, a company of which M Boost is also a director. At the year end there was £11,380 due to Civo Limited.

During the year the company paid for telecommunication services totaling £30,317 to LLU Communications Limited, a company of which M Boost is also a director. At the year end there was £2,041 outstanding from LLU Communications Limited.

11 Parent company

The ultimate controlling party is T Creswick by virtue of his ownership of the majority of the issued share capital of the parent entity, Vorboss Limited.

AI Networks Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2019

12 Prior period adjustment

Changes to the balance sheet

	At 30 April 2018		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Investments	-	1	1
Creditors due within one year			
Other creditors	(823,296)	(1)	(823,297)
	<u> </u>	<u> </u>	<u> </u>
 Net assets	 (334,416)	 -	 (334,416)
	<u> </u>	<u> </u>	<u> </u>

In the prior year, the investment of £1 in LLU Communications Limited, a joint venture, was incorrectly excluded from the accounts. LLU Communications Limited was incorporated on 27 June 2017, registered in England and Wales.

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.