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**INTELLIGENCE NETWORKING
LIMITED**

UNAUDITED FINANCIAL
STATEMENTS

FOR THE PERIOD ENDED

31 OCTOBER 2003

INTELLIGENCE NETWORKING LIMITED

UNAUDITED FINANCIAL STATEMENTS

For the period ended 31 October 2003

Company Registration Number: SC 234318

Registered Office: Suite 4/14
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TS

Directors: Ian Mitchell Muir
Neil Duncan Grant Ritchie

Secretary: Neil Duncan Grant Ritchie

Bankers: Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Solicitors: Dundas & Wilson CS
191 West George Street
Glasgow
G2 2LD

INTELLIGENCE NETWORKING LIMITED

UNAUDITED FINANCIAL STATEMENTS

For the period ended 31 October 2003

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INTELLIGENCE NETWORKING LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the period ended 31 October 2003.

Principal activity

The company operates principally as computer software consultants. The directors have continued to develop the business during the year.

Incorporation

The business was incorporated on 19 July 2002.

Change of company name

The company changed its name from Dunwilco (1007) Limited on 9 December 2002.

Business review

There was a loss for the period after taxation amounting to £70,363. The directors do not recommend the payment of a dividend.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

The directors interests held by the directors of this company who are also directors of the ultimate parent undertaking, Mirn Limited, are disclosed in the directors' report of that company.

The interests of the director in the shares of the company as at 31 October 2003 were as follows:

Ordinary shares 31 October 2003

Ian Mitchell Muir

-

Neil Duncan Grant Ritchie

-

INTELLIGENCE NETWORKING LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Statement of directors' responsibilities

Company Law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Small company exemption

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD



Director
18 May 2004

INTELLIGENCE NETWORKING LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with the *Financial Reporting Standard for Smaller Entities (effective June 2002)*.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by the straight line method over their expected useful lives. The rates generally applicable are:

Fixtures and fittings	33.33% straight line
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INTELLIGENCE NETWORKING LIMITED

PROFIT AND LOSS ACCOUNT

For the period ended 31 October 2003

	Note	2003 £
Turnover		40,474
Cost of sales		-
Gross profit		40,474
Other operating costs		(109,029)
Operating loss		(68,555)
Interest payable and similar charges	2	(1,808)
Profit/(loss) on ordinary activities before taxation	1	(70,363)
Tax on profit on ordinary activities	4	-
Loss transferred from reserves	11	(70,363)

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

INTELLIGENCE NETWORKING LIMITED

BALANCE SHEET AT 31 OCTOBER 2003

	Note	2003 £
Fixed assets		
Tangible assets	5	<u>9,875</u>
		9,875
Current assets		
Debtors	6	13,483
Cash at bank and in hand		<u>33,279</u>
		46,762
Creditors: amounts falling due within one year	7	<u>(29,777)</u>
Net current assets		<u>16,985</u>
Total assets less current liabilities		<u>26,860</u>
Creditors: amounts falling due after more than one year	8	<u>(97,222)</u>
		<u>(70,362)</u>
Capital and reserves		
Called up share capital	10	1
Profit and loss account	11	<u>(70,363)</u>
Shareholders' funds		<u>(70,362)</u>

For the period ended 31 October 2003 the company was entitled to exemption under section 249a(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 249b(2). We acknowledge our responsibility for: (i) Ensuring the company keeps accounting records which comply with section 221; and (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board of Directors on 18 May 2003.



Director



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the period ended 31 October 2003

1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

	2003 £
Depreciation on owned assets	<u>1,343</u>

2 INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £
On bank loans, overdraft and other loans	<u>1,808</u>

3 DIRECTORS AND EMPLOYEES

	2003 £
Directors remuneration	<u>21,701</u>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is based on the profit for the year and represents:

	2003 £
UK Corporation tax	<u>-</u>

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 October 2003

5 TANGIBLE FIXED ASSETS

	Office equipment £	Total £
Cost		
At 19 July 2002	-	-
Additions	11,218	11,218
At 31 October 2003	11,218	11,218
Depreciation		
At 19 July 2002	-	-
Provided in the period	1,343	1,343
At 31 October 2003	1,343	1,343
Net book amount at 31 October 2003	9,875	9,875

6 DEBTORS

	2003 £
Trade debtors	13,482
Other debtors	-
Issued share capital not paid	1
	13,483

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £
Bank loans	10,778
Trade creditors	5,389
Corporation tax	-
Social security and other taxes	8,594
Accruals and deferred income	5,016
	18,999

There is a bond and floating charge over the whole assets of the company.

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 October 2003

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £
Bank loans	57,200
Loan from directors	40,000
	<u>97,222</u>

There are no fixed terms of repayment for the loans from directors.

9 BORROWINGS

Borrowings are repayable as follows:

	2003 £
Within one year:	
Bank loans	10,778
After one and within two years:	
Bank loans	14,667
After two and within five years:	
Bank loans	42,555
	<u>68,000</u>

10 SHARE CAPITAL

	2003 £
Authorised	
100 ordinary shares of £1 each	<u>100</u>
Allotted, called up and fully paid	
1 ordinary share of £1 each	<u>1</u>

11 RESERVES

	Profit and loss account £
At 19 July 2002	-
Retained loss for the period	(70,363)
At 31 October 2003	<u>(70,363)</u>

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 October 2003

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £
(Loss) for the financial period	(70,363)
Issue of shares	<u>1</u>
Net decrease in shareholders' funds	(70,362)
Shareholders' funds at 19 July 2002	-
Shareholders' funds at 31 October 2003	<u>(70,362)</u>

13 CAPITAL COMMITMENTS

The company has a capital commitment at 31 October 2003 for the purchase of a marketing database amounting to £7,285.

14 CONTINGENT ASSETS/LIABILITIES

There were no contingent liabilities at 31 October 2003.

15 CONTROLLING RELATED PARTY

The directors consider that the ultimate parent undertaking of this company is Mirn Limited, incorporated in Scotland.

Mirn Limited is the company's controlling related party by virtue of its 100% shareholding in Intelligence Networking Limited.

INTELLIGENCE NETWORKING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

For the period ended 31 October 2003

	2003 £	2003 £
Turnover		
Sales		40,474
Cost of sales		
Direct costs	-	-
Gross profit		40,474
Administration expenses		
Staff wages	41,435	
Directors remuneration	21,701	
Employers NI	6,296	
Subsistence and travel	5,574	
Telephone	3,410	
Stationery	2,891	
Repairs and renewals	1,736	
Motor expenses	120	
Recruitment costs	5,081	
General expenses	2,106	
Legal fees	3,772	
Professional fees	2,217	
Heat and light	966	
Insurance	365	
Accountancy fees	4,015	
Depreciation - office equipment	1,343	
Rent	6,121	
		(109,029)
Trading profit		(68,555)
Net interest		
Bank interest received	(170)	
Bank charges	1,175	
Bank loan interest	645	
Credit charges	158	
		(1,808)
Net loss for the period before taxation		(70,363)

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS