

Company Registration No. SC234318 (Scotland)

INTELLIGENCE NETWORKING LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

INTELLIGENCE NETWORKING LIMITED

COMPANY INFORMATION

Director	Mr N Ritchie
Secretary	Mr N Ritchie
Company number	SC234318
Registered office	The Pentagon Building 36 Washington Street Glasgow G3 8AZ
Accountants	French Duncan LLP 133 Finnieston Street Glasgow G3 8HB

INTELLIGENCE NETWORKING LIMITED

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INTELLIGENCE NETWORKING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets			378,000		441,000
Tangible assets	4		10,621		5,206
Current assets					
Debtors		1,530,336		1,498,214	
Cash at bank and in hand		1,158		436	
		<u>1,531,494</u>		<u>1,498,650</u>	
Creditors: amounts falling due within one year		<u>(1,025,788)</u>		<u>(845,646)</u>	
Net current assets			505,706		653,004
Total assets less current liabilities			<u>894,327</u>		<u>1,099,210</u>
Creditors: amounts falling due after more than one year			(250,000)		(375,000)
Provisions for liabilities			<u>(64,346)</u>		<u>(63,802)</u>
Net assets			<u>579,981</u>		<u>660,408</u>
Capital and reserves					
Called up share capital	6		1		1
Profit and loss reserves			<u>579,980</u>		<u>660,407</u>
Total equity			<u>579,981</u>		<u>660,408</u>

In accordance with section 444 of the Companies Act 2006 all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (S.I. 2008/409)(b).

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

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his 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 year in question in accordance with section 476.

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

INTELLIGENCE NETWORKING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved and signed by the director and authorised for issue on 29 September 2017

Mr N Ritchie

Director

Company Registration No. SC234318

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Intelligence Networking Limited is a private company limited by shares incorporated in Scotland. The registered office is The Pentagon Building, 36 Washington Street, Glasgow, G3 8AZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with 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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Intelligence Networking Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 8.

1.2 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 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:

Intangible Assets	10% straight line
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INTELLIGENCE NETWORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 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.

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:

Fixtures & fittings	33% straight line
Computer equipment	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.

1.5 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.7 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.

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.

1.8 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.

1.9 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.

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

1.10 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.

1.11 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charges to the profit and loss account.

1.12 Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charges against profits on a straight line basis over the period of the lease.

1.13 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 50 (2015 - 50).

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Intangible fixed assets

	Total £
Cost	
At 1 January 2016 and 31 December 2016	630,000
Amortisation and impairment	
At 1 January 2016	189,000
Amortisation charged for the year	63,000
At 31 December 2016	252,000
Carrying amount	
At 31 December 2016	378,000
At 31 December 2015	441,000

4 Tangible fixed assets

	Total £
Cost	
At 1 January 2016	229,359
Additions	9,810
At 31 December 2016	239,169
Depreciation and impairment	
At 1 January 2016	224,153
Depreciation charged in the year	4,395
At 31 December 2016	228,548
Carrying amount	
At 31 December 2016	10,621
At 31 December 2015	5,206

5 Deferred income

	2016 £	2015 £
Other deferred income	304,943	-

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6	Called up share capital	2016	2015
		£	£
	Ordinary share capital		
	Issued and fully paid		
	1 Ordinary share of £1 each	1	1
		<u> </u>	<u> </u>

7 Parent company

The parent company of Intelligence Networking Limited is Mirn Limited and its registered office address is The Pentagon, 36 Washington Street, Glasgow, G3 8AZ.

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	At 1 January 2015			At 31 December 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Other intangibles		504,000	-	504,000	441,000	-	441,000
Tangible assets		10,752	-	10,752	5,206	-	5,206
		<u>514,752</u>	<u>-</u>	<u>514,752</u>	<u>446,206</u>	<u>-</u>	<u>446,206</u>
Current assets							
Debtors		1,040,262	-	1,040,262	1,498,214	-	1,498,214
Bank and cash		671	-	671	436	-	436
		<u>1,040,933</u>	<u>-</u>	<u>1,040,933</u>	<u>1,498,650</u>	<u>-</u>	<u>1,498,650</u>
Creditors due within one year							
Loans and overdrafts		(524,957)	-	(524,957)	(459,104)	-	(459,104)
Taxation		(298,918)	-	(298,918)	(276,731)	-	(276,731)
Other creditors		(91,218)	-	(91,218)	(109,811)	-	(109,811)
		<u>(915,093)</u>	<u>-</u>	<u>(915,093)</u>	<u>(845,646)</u>	<u>-</u>	<u>(845,646)</u>
Net current assets		<u>125,840</u>	<u>-</u>	<u>125,840</u>	<u>653,004</u>	<u>-</u>	<u>653,004</u>
Total assets less current liabilities		<u>640,592</u>	<u>-</u>	<u>640,592</u>	<u>1,099,210</u>	<u>-</u>	<u>1,099,210</u>
Creditors due after one year							
Loans and overdrafts		-	-	-	(375,000)	-	(375,000)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>(375,000)</u>	<u>-</u>	<u>(375,000)</u>
Provisions for liabilities							
Deferred tax		-	(63,802)	(63,802)	-	(63,802)	(63,802)
		<u>-</u>	<u>(63,802)</u>	<u>(63,802)</u>	<u>-</u>	<u>(63,802)</u>	<u>(63,802)</u>
Net assets		<u>640,592</u>	<u>(63,802)</u>	<u>576,790</u>	<u>724,210</u>	<u>(63,802)</u>	<u>660,408</u>
Capital and reserves							
Share capital		1	-	1	1	-	1
Revaluation reserve		506,365	(506,365)	-	354,456	(354,456)	-
Profit and loss		134,226	442,563	576,789	369,753	290,654	660,407
		<u>640,592</u>	<u>(63,802)</u>	<u>576,790</u>	<u>724,210</u>	<u>(63,802)</u>	<u>660,408</u>
Total equity		<u>640,592</u>	<u>(63,802)</u>	<u>576,790</u>	<u>724,210</u>	<u>(63,802)</u>	<u>660,408</u>

INTELLIGENCE NETWORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit for the financial period

Notes	Year ended 31 December 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover	2,315,875	-	2,315,875
Administrative expenses	(2,164,058)	-	(2,164,058)
Interest payable and similar expenses	(32,774)	-	(32,774)
Taxation	(35,425)	-	(35,425)
Profit for the financial period	83,618	-	83,618

Notes to reconciliations on adoption of FRS 102

Revaluation reserve

The revaluation of intangible assets was allocated to revaluation reserve under UK GAAP. In accordance with FRS 102, the revaluation amount is now adjusted through the profit and loss account.

Deferred taxation has been accounted for on the revaluation reserve at 18%.

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