REGISTERED NUMBER: SC402327 (Scotland)

Connect-In Ltd

Unaudited Financial Statements for the Year Ended 30 June 2018

Contents of the Financial Statements
for the Year Ended 30 June 2018

Connect-In Ltd

Company Information
for the Year Ended 30 June 2018

DIRECTORS:	P Sarkar V J Klemt S N Mcgrenary S Pickup R S Watkins
REGISTERED OFFICE:	38 Queen Street The Centrum House Glasgow Lanarkshire G1 3DX
REGISTERED NUMBER:	SC402327 (Scotland)

Connect-In Ltd (Registered number: SC402327)

Balance Sheet
30 June 2018

	Notes	30.6.18	30.6.17
		£	£
FIXED ASSETS			
Intangible assets	4	33,291	15,317
Tangible assets	5	363	314
		33,654	15,631
CURRENT ASSETS			
Stocks		-	250
Debtors	6	980	13,088
Cash at bank		8,811	-
		9,791	13,338
CREDITORS			
Amounts falling due within one year	7	(77,772)	(39,585)
NET CURRENT LIABILITIES		(67,981)	(26,247)
TOTAL ASSETS LESS CURRENT LIABILITIES		(34,327)	(10,616)
CREDITORS			
Amounts falling due after more than one year	8	(20,959)	-
NET LIABILITIES		(55,286)	(10,616)
CAPITAL AND RESERVES			
Called up share capital		148	148
Share premium		79,952	79,952
Retained earnings		(135,386)	(90,716)
		(55,286)	(10,616)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors on 24 January 2019 and were signed on its behalf by:

P Sarkar - Director

The notes on pages 3 to 6 form part of these financial statements

1. STATUTORY INFORMATION

Connect-In Ltd is a private company, limited by shares and registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The presentational and functional currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

Going concern
The directors believe that notwithstanding current year losses of £44,670, net current liabilities of £67,981 and net liabilities of £55,286, the company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support from investors will be adequate to meet the company's needs for a period of at least 12 months from the date of approval of these financial statements.

Turnover
Revenue is recognised to the extent that it is probable economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised at point of sale when the significant risks and rewards of ownership have passed to the buyer. Revenue from the sale of services is reconigsed when the service is provided.

Interest receivable and payable
Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Intangible assets
Research and development costs

Expenditure on research activities is recognised within profit or loss as an expense is incurred.

Development costs are capitalised only where they can be identified with a specific product or project that will generate probable future economic benefits. They are amortised on a straight line basis to profit or loss over their estimated useful life, the costs can be reliably measured and all the criteria under FRS 102 are met. All other development costs are expensed as incurred.

Capitalised development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of is written off to profit or loss.

Capitalised development costs are not treated as a realised loss under section 844(1) of the Companies Act as the directors believe that they are subject to the permitted exception in section 844(3) as the costs have been capitalised in accordance with applicable accounting standards.

Capitalised development costs are not treated as a realised loss for the purpose of determining the company's distributable profits as the costs meet the conditions permitting them to be treated as an asset under FRS 102.

Purchased intangible assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indications exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. Any impairment loss is recognised immediately as an expense within profit or loss.

Intangible assets are amortised from the date they are available for use. Amortisation is charged to the profit or loss, as follows:

Patents and licences - 10 years on a straight line basis

continued...

2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Tangible fixed assets are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to profit or loss over the estimated useful economic lives, as follows -

- Computer equipment - Over 3 years on a straight line basis.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined, which is the higher of its fair value less costs to sell and its value in use.

Any impairment loss is recognised immediately as an expense within the profit or loss.

Basic financial instruments
Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised within profit or loss.

For financial assets that are measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate of measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate, of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Government grants
Grants are accounted for under the accruals model of accounting. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

Current and deferred taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

continued...

2. **ACCOUNTING POLICIES - continued**

Foreign currencies
Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Pensions
The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

Liabilities and equity
Convertible debt

On the initial issue of convertible debt, the company allocates the proceeds between the liability component and the equity component.To make the allocation, the company first determines the amount of the liability component as fair value of a similar liability that does not have a conversion feature.The residual amount is allocated as the equity component. Any transaction costs are allocated between the debt component and the equity component on the basis of their relative fair values.

The liability component of the instrument is subsequently measured on an amortised cost basis. Any initial allocations are not revised in subsequent periods.

3. **STAFF NUMBERS**

The average number of employees during the year was 4 (2017 - 4) .

4. **INTANGIBLE FIXED ASSETS**

	Patents & licences £
COST	
At 1 July 2017	**20,021**
Additions	**20,981**
At 30 June 2018	**41,002**
AMORTISATION	
At 1 July 2017	**4,704**
Amortisation for year	**3,007**
At 30 June 2018	**7,711**
NET BOOK VALUE	
At 30 June 2018	**33,291**
At 30 June 2017	15,317

continued...

5. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 July 2017	**1,023**
Additions	**280**
At 30 June 2018	**1,303**
DEPRECIATION	
At 1 July 2017	**709**
Charge for year	**231**
At 30 June 2018	**940**
NET BOOK VALUE	
At 30 June 2018	**363**
At 30 June 2017	314

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.18 £	30.6.17 £
Trade debtors	**600**	9,396
Other debtors	**34**	2,573
Prepayments and accrued income	**346**	1,119
	980	13,088

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.18 £	30.6.17 £
Bank loans and overdrafts	**-**	469
Trade creditors	**25,064**	1,428
Corporation tax	**-**	256
Social security and other taxes	**8,226**	2,064
Other creditors	**44,482**	35,150
Accruals and deferred income	**-**	218
	77,772	39,585

Included in other creditors are outstanding pension contributions of £345 (2017: £nil).

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.18 £	30.6.17 £
Other loans - 1-2 years	**8,459**	-
Convertible loan	**12,500**	-
	20,959	-

9. RELATED PARTY TRANSACTIONS

During the year the company received loans from P Sarkar, a director of £21,299 (2017: £6,934) and repaid £16,200 (2017: £679). As at 31 December 2017 the company owed £28,139 (2017: £23,040) to the director. All balances attract a nil rate of interest, and are repayable on demand.

During the year the company received loans from V Klemt, a director of £9,593 (2017: £10,024) and repaid £4,340 (2017: £398). As at 31 December 2017 the company owed £15,554 (2017: £10,301) to the director. All balances attract a nil rate of interest, and are repayable on demand.