

Registration number 07127114

# 360Globalnet Ltd

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2015

Parent Company Accounts for 360 Globalnet  
Limited

See note 12, page 33 for exemption

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## **360Globalnet Ltd**

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## **360Globalnet Ltd**

### **Company Information**

**Directors** J Harding  
N P K Montgomery  
P A Stanley

**Company secretary** J B Tyler

**Registered office** Bourne House  
475 Godstone Road  
Whyteleafe  
Surrey  
CR3 0BL

**Auditors** Kreston Reeves LLP  
A2 Yeoman Gate  
Yeoman Way  
Worthing  
West Sussex  
BN13 3QZ

## 360Globalnet Ltd

### Directors Report for the Year Ended 31 December 2015

The directors present their report and the consolidated financial statements for the year ended 31 December 2015

#### **Directors of the group**

The directors who held office during the year were as follows

J Harding

N P K Montgomery

P A Stanley

#### **Business review**

##### *Fair review of the business*

The Company's business is the provision of digital solutions to administer incident resolution. This involves both the control and refinement of processes and the use of analytics around structured and unstructured data. As well as providing a better experience for customers more cost effectively, previously inactive legacy data combined with other data sources is converted into intelligence.

The strategic focus of the business is with insurers and the processes around claims management, fulfilment and analytics. This sector is known for its resilience during the peaks and troughs experienced within economic cycles. The Company seeks to build its' recurring and subscription revenue through the securing of significant long term contracts that can be implemented within short timescales. In this way the Company intends to attain critical mass and from this base extend its market presence.

The Company's proposition focuses on delivering a significant increase in Net Promoter Score ("NPS"), substantial cost savings, activity based working and greater efficiency. A user is able to make faster, better, more informed decisions by reference to one digital record for each claim. This record can be shared by participants as appropriate.

This year has been another important year for the Company as it broadens the nature of its offerings. This and the volume increase attributable to existing contracts contributed to the increase in turnover for the Company to £4,287,518 (2014 £2,191,244) and overall, the groups revenue to £5,242,866 (2014 £2,789,478). The Company is currently consolidating its position with regard to development and resources in anticipation of extending its international presence in future years.

## 360Globalnet Ltd

### Directors Report for the Year Ended 31 December 2015

#### Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006

#### Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

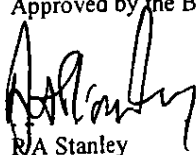
- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 22/05/2016 and signed on its behalf by



RA Stanley  
Director

## **360Globalnet Ltd**

### **Independent Auditor's Report**

We have audited the financial statements of 360Globalnet Ltd for the year ended 31 December 2015, set out on pages 6 to 41. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Basis for qualified opinion on financial statements**

With respect to non-current financial assets having a carrying value of £100,000 on the group and company balance sheet we have been unable to obtain sufficient audit evidence to substantiate the carrying value in the financial statements.

#### **Qualified opinion on the financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2015 and of the group's loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## 360Globalnet Ltd

### Independent Auditor's Report

#### Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the carrying value of the non-current financial assets described above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors report

*(Gester Reeves W)*

Stephen Kirkham FCA (Senior Statutory Auditor)  
For and on behalf of Kreston Reeves LLP, Statutory Auditor

A2 Yeoman Gate  
Yeoman Way  
Worthing  
West Sussex  
BN13 3QZ

Date

*29 September 2016*

# 360Globalnet Ltd

## Consolidated Income Statement for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Revenue	3	5,242,866	2,789,478
Cost of sales		<u>(3,008,957)</u>	<u>(1,339,731)</u>
Gross profit		2,233,909	1,449,747
Administrative expenses		(3,047,171)	(1,652,845)
Other gains		<u>113,732</u>	<u>-</u>
Operating loss		<u>(699,530)</u>	<u>(203,098)</u>
Finance income		353	268
Finance costs		<u>(69,171)</u>	<u>(81,206)</u>
Net finance cost	5	<u>(68,818)</u>	<u>(80,938)</u>
Loss before tax		(768,348)	(284,036)
Income tax receipt	9	<u>-</u>	<u>2,979</u>
Loss for the year		<u><u>(768,348)</u></u>	<u><u>(281,057)</u></u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		(723,838)	(276,027)
Non-controlling interests		<u>(44,510)</u>	<u>(5,030)</u>
		<u><u>(768,348)</u></u>	<u><u>(281,057)</u></u>

The above results were derived from continuing operations



# 360Globalnet Ltd

## Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Loss for the year		<u>(768,348)</u>	<u>(281,057)</u>
Total comprehensive income for the year		<u><u>(768,348)</u></u>	<u><u>(281,057)</u></u>
<b>Total comprehensive income attributable to</b>			
Owners of the company		(723,838)	(276,027)
Non-controlling interests		<u>(44,510)</u>	<u>(5,030)</u>
		<u><u>(768,348)</u></u>	<u><u>(281,057)</u></u>

# 360Globalnet Ltd

(Registration number: 07127114)

## Consolidated Statement of Financial Position as at 31 December 2015

	Note	2015 £	2014 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	422,052	377,466
Intangible assets	11	2,827,298	2,186,262
Other non-current financial assets	14	<u>100,000</u>	<u>100,000</u>
		<u>3,349,350</u>	<u>2,663,728</u>
<b>Current assets</b>			
Inventories	15	3,610	2,960
Trade and other receivables	16	719,612	2,141,328
Income tax asset		5,416	1,215
Cash and cash equivalents	17	<u>146,020</u>	<u>715,542</u>
		<u>874,658</u>	<u>2,861,045</u>
<b>Total assets</b>		<u><u>4,224,008</u></u>	<u><u>5,524,773</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	18	(13,858)	(13,858)
Share premium		(5,990,700)	(5,990,700)
Capital redemption reserve		(5,648)	(5,648)
Retained earnings		<u>4,123,689</u>	<u>3,399,851</u>
Equity attributable to owners of the company		(1,886,517)	(2,610,355)
Non-controlling interests		<u>96,745</u>	<u>52,235</u>
<b>Total equity</b>		<u><u>(1,789,772)</u></u>	<u><u>(2,558,120)</u></u>
<b>Non-current liabilities</b>			
Loans and borrowings	19	(41,944)	-
Deferred tax liabilities		<u>(54,106)</u>	<u>(46,382)</u>
		<u>(96,050)</u>	<u>(46,382)</u>
<b>Current liabilities</b>			
Trade and other payables	22	(2,285,257)	(2,918,011)
Loans and borrowings	19	<u>(52,929)</u>	<u>(2,260)</u>
		<u>(2,338,186)</u>	<u>(2,920,271)</u>
<b>Total liabilities</b>		<u><u>(2,434,236)</u></u>	<u><u>(2,966,653)</u></u>
<b>Total equity and liabilities</b>		<u><u>(4,224,008)</u></u>	<u><u>(5,524,773)</u></u>

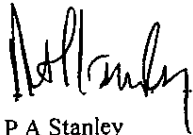
The notes on pages 16 to 41 form an integral part of these financial statements

**360Globalnet Ltd**

**(Registration number: 07127114)**

**Consolidated Statement of Financial Position as at 31 December 2015**

Approved by the Board and authorised for issue on ~~22/05/2016~~ and signed on its behalf by



P A Stanley

Director

# 360Globalnet Ltd

(Registration number: 07127114)

## Statement of Financial Position as at 31 December 2015

	Note	2015 £	2014 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	311,224	302,397
Intangible assets	11	1,277,797	801,624
Investments in subsidiaries, joint ventures and associates	12	768,575	618,575
Other non-current financial assets	14	100,000	100,000
		<u>2,457,596</u>	<u>1,822,596</u>
<b>Current assets</b>			
Inventories	15	2,710	2,710
Trade and other receivables	16	3,582,580	4,685,527
Cash and cash equivalents	17	115,351	713,271
		<u>3,700,641</u>	<u>5,401,508</u>
<b>Total assets</b>		<u>6,158,237</u>	<u>7,224,104</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	18	(13,858)	(13,858)
Share premium		(5,990,700)	(5,990,700)
Capital redemption reserve		(5,648)	(5,648)
Retained earnings		2,032,163	1,629,244
<b>Total equity</b>		<u>(3,978,043)</u>	<u>(4,380,962)</u>
<b>Non-current liabilities</b>			
Loans and borrowings	19	(38,352)	-
Deferred tax liabilities	9	(37,826)	(37,826)
		<u>(76,178)</u>	<u>(37,826)</u>
<b>Current liabilities</b>			
Trade and other payables	22	(2,063,327)	(2,801,115)
Loans and borrowings	19	(40,689)	-
Income tax liability		-	(4,201)
		<u>(2,104,016)</u>	<u>(2,805,316)</u>
<b>Total liabilities</b>		<u>(2,180,194)</u>	<u>(2,843,142)</u>
<b>Total equity and liabilities</b>		<u>(6,158,237)</u>	<u>(7,224,104)</u>

The notes on pages 16 to 41 form an integral part of these financial statements

**360Globalnet Ltd**

**(Registration number: 07127114)**

**Statement of Financial Position as at 31 December 2015**

Approved by the Board and authorised for issue on ~~21/01/2016~~ <sup>22/01/2016</sup> and signed on its behalf by



P A Stanley

Director

The notes on pages 16 to 41 form an integral part of these financial statements

360Globalnet Ltd

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total £	Non- controlling interests £	Total equity £
At 1 January 2015	13 858	5 990 700	5 648	(3 399 851)	2 610,355	(52 235)	2 558,120
Loss for the year	-	-	-	(723 838)	(723 838)	(44 510)	(768 348)
Total comprehensive income	-	-	-	(723 838)	(723 838)	(44 510)	(768 348)
At 31 December 2015	13 858	5 990,700	5,648	(4,123 689)	1,886 517	(96 745)	1 789 772
	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total £	Non- controlling interests £	Total equity £
At 1 January 2014	13,858	5 990 700	5 648	(3 123 824)	2 886,382	(79 354)	2,807,028
Loss for the year	-	-	-	(276 027)	(276 027)	(5 030)	(281 057)
Total comprehensive income	-	-	-	(276,027)	(276 027)	(5 030)	(281,057)
Decrease in non-controlling interest in subsidiaries	-	-	-	-	-	32 149	32 149
At 31 December 2014	13 858	5 990 700	5 648	(3 399,851)	2 610 355	(52 235)	2 558 120

The notes on pages 16 to 41 form an integral part of these financial statements  
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360Globalnet Ltd

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2015	13,858	5 990,700	5 648	(1 629,244)	4,380 962
Loss for the year	-	-	-	(402 919)	(402 919)
Total comprehensive income	-	-	-	(402 919)	(402 919)
At 31 December 2015	13 858	5 990 700	5,648	(2 032 163)	3 978 043
	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2014	13 858	5 990 700	5 648	(1 749 226)	4 260 980
Profit for the year	-	-	-	119 982	119,982
Total comprehensive income	-	-	-	119,982	119 982
At 31 December 2014	13 858	5 990 700	5 648	(1 629 244)	4 380 962

# 360Globalnet Ltd

## Consolidated Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Loss for the year		(768,348)	(281,057)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	888,458	683,611
Loss on disposal of property plant and equipment		12,517	-
Finance income	5	(353)	(268)
Finance costs	5	69,171	81,206
Income tax expense	9	-	(2,979)
		<u>201,445</u>	<u>480,513</u>
Working capital adjustments			
Increase in inventories	15	-	(2,810)
Decrease in trade and other receivables	16	1,471,349	314,371
(Decrease)/increase in trade and other payables	22	<u>(731,192)</u>	<u>1,134,688</u>
Cash generated from operations		941,602	1,926,762
Income taxes (paid)/received	9	<u>(4,201)</u>	<u>285</u>
Net cash flow from operating activities		<u>937,401</u>	<u>1,927,047</u>
<b>Cash flows from investing activities</b>			
Interest received	5	353	268
Acquisitions of property plant and equipment		(297,534)	(184,888)
Proceeds from sale of property plant and equipment		7,382	-
Acquisition of intangible assets	11	(1,075,199)	(1,084,046)
Acquisition of available for sale assets		-	(100,000)
Decrease in non-controlling interest in subsidiaries		-	32,149
Acquisition of new subsidiary, The Drainage Repair Company Limited, net of cash received		<u>(137,030)</u>	<u>-</u>
Net cash flows from investing activities		<u>(1,502,028)</u>	<u>(1,336,517)</u>
<b>Cash flows from financing activities</b>			
Interest paid	5	(69,171)	(81,206)
Payments to finance lease creditors		<u>66,536</u>	<u>-</u>
Net cash flows from financing activities		<u>(2,635)</u>	<u>(81,206)</u>
Net (decrease)/increase in cash and cash equivalents		(567,262)	509,324
Cash and cash equivalents at 1 January	17	<u>713,282</u>	<u>203,958</u>
Cash and cash equivalents at 31 December	17	<u>146,020</u>	<u>713,282</u>



360Globalnet Ltd

Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £	2014 £
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(402,919)	119,982
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		653,592	221,347
Finance income		(28,858)	(21,007)
Finance costs		52,209	65,278
Income tax expense		-	(3,094)
		<u>274,024</u>	<u>382,506</u>
Working capital adjustments			
Increase in inventories	15	-	(2,710)
Decrease in trade and other receivables	16	1,102,947	320,747
(Decrease)/increase in trade and other payables	22	<u>(737,788)</u>	<u>559,375</u>
Cash generated from operations		639,183	1,259,918
Income taxes paid	9	<u>(4,201)</u>	<u>-</u>
Net cash flow from operating activities		<u>634,982</u>	<u>1,259,918</u>
<b>Cash flows from investing activities</b>			
Interest received		28,858	21,007
Acquisition of subsidiaries	12	(150,000)	(200,000)
Acquisitions of property plant and equipment		(183,553)	(131,622)
Acquisition of intangible assets	11	(955,039)	(902,174)
Acquisition of available for sale investments		-	(100,000)
Net cash flows from investing activities		<u>(1,259,734)</u>	<u>(1,312,789)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(52,209)	(65,570)
Payments to finance lease creditors		79,041	-
Foreign exchange (gains) / losses		-	292
Amounts due to related parties		-	851,029
Receivables from related parties		-	(238,187)
Net cash flows from financing activities		<u>26,832</u>	<u>547,564</u>
Net (decrease)/increase in cash and cash equivalents		(597,920)	494,693
Cash and cash equivalents at 1 January		<u>713,271</u>	<u>218,578</u>
Cash and cash equivalents at 31 December		<u><u>115,351</u></u>	<u><u>713,271</u></u>

The notes on pages 16 to 41 form an integral part of these financial statements

## **360Globalnet Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **1 General information**

The company is a private company limited by share capital incorporated and domiciled in UK

The address of its registered office is

Bourne House  
475 Godstone Road  
Whyteleafe  
Surrey  
CR3 0BL

These financial statements were authorised for issue by the Board on 22 September 2016

#### **2 Accounting policies**

##### **Statement of compliance**

The group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the EU ("adopted IFRS's")

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated

##### **Basis of preparation**

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies

The financial statements have been rounded to the nearest £

The company's and group's functional and presentational currency is pounds Sterling (GBP)

##### **Going concern**

The financial statements have been prepared on a going concern basis. The group's ability to continue to trade is dependent upon the support of its directors. If this assumption proves to be inappropriate, then adjustments may have to be made to adjust the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and reclassify fixed assets as current assets

##### **Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

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

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2015 have had a material effect on the financial statements.

None of the standards, interpretations and amendments which are effective for periods beginning after 1 January 2015 and which have not been adopted early, are expected to have a material effect on the financial statements.

#### Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when

The amount of revenue can be reliably measured,  
it is probable that future economic benefits will flow to the entity,  
specific criteria have been met for each of the group activities.

#### Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Tax

The tax expense for the period comprises deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised in equity is also recognised in equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	15% and 33 33% straight line
Motor vehicles	33 33% straight line
Other property, plant and equipment consisting of	
- Computer equipment	10%, 15%, 25% and 33 33% straight line
- Plant and machinery	33 33% straight line and 15%, 20% and 33 33% reducing balance

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Business combinations

Acquisitions of subsidiaries and business are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the group's previously-held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively,
- liabilities or equity instruments related to the replacement by the group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment, and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Intangible assets

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is tested for impairment annually.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

Negative goodwill arising on an acquisition is recognised directly in the income statement. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

Internally generated software development costs incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Internally generated software development costs	33 33% straight line

#### Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Investments in subsidiaries are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

#### Financial assets and liabilities

##### Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the statement of financial interest. The corresponding dividends relating to the liability component are charged as interest expense in the comprehensive income statement.

#### Critical accounting judgements and key sources of estimation uncertainty - Recoverability of internally-generated intangible assets

During the year, management considered the recoverability of its internally generated intangible asset which is included in its balance sheet at £1,547,182 (2014 - £1,068,647). The project continues to progress in a very satisfactory manner and management are satisfied that the company will be able to receive the anticipated revenues.

### 3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2015 £	2014 £
Sale of goods	567,880	544,162
Rendering of services	4,674,986	2,245,316
	<u>5,242,866</u>	<u>2,789,478</u>



# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 4 Operating profit

Arrived at after charging/(crediting)

	2015 £	2014 £
Depreciation expense	233,409	145,027
Amortisation expense	655,049	279,804
Impairment loss	-	258,780
Foreign exchange gains	372	-
Operating lease expense - property	22,264	42,157
Loss on disposal of property, plant and equipment	12,517	-
Depreciation on assets held under a finance agreement totalled £34,031 (2014 - £nil)		

### 5 Finance income and costs

	2015 £	2014 £
<b>Finance income</b>		
Interest income on bank deposits	117	(18,556)
Other finance income	236	18,824
Total finance income	353	268
<b>Finance costs</b>		
Interest on bank overdrafts and borrowings	(34,001)	2,947
Interest on obligations under finance leases and hire purchase contracts	(22,488)	-
Interest expense on other financing liabilities	(12,310)	(84,153)
Foreign exchange losses	(372)	-
Total finance costs	(69,171)	(81,206)
Net finance costs	(68,818)	(80,938)

### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows

	2015 £	2014 £
Wages and salaries	811,495	483,980
Social security costs	94,571	58,329
Pension costs, defined contribution scheme	64,992	36,168
Wages capitalised as development costs	874,319	1,084,046
Redundancy costs	9,405	3,974
Other employee expense	53,594	17,253
	1,908,376	1,683,750

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows

	2015 No.	2014 No.
Production	2	2
Administration and support	4	2
Research and development	18	13
Other departments	17	9
	<u>41</u>	<u>26</u>

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows

	2015 £	2014 £
Remuneration including benefits in kind and capitalised remuneration	290,251	305,133
Contributions paid to money purchase schemes	61,733	28,450
	<u>351,984</u>	<u>333,583</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

#### 8 Auditors' remuneration

	2015 £	2014 £
Audit of these financial statements	<u>14,800</u>	<u>16,800</u>

# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 9 Income tax

Tax charged/(credited) in the income statement

	2015 £	2014 £
<b>Current taxation</b>		
UK corporation tax	-	4,201
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	-	(7,180)
Tax receipt in the income statement	-	(2,979)

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2014 - the same as the standard rate of corporation tax in the UK) of 20% (2014 - 20%)

The differences are reconciled below

	2015 £	2014 £
Loss before tax	(768,348)	(284,036)
Corporation tax at standard rate	(153,670)	(76,082)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	5,481	7,321
Tax decrease from utilisation of tax losses	147,778	38,087
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(7,277)	10,370
Other tax effects for reconciliation between accounting profit and tax expense (income)	7,688	17,325
Total tax credit	-	(2,979)

### Deferred tax

#### Group

Deferred tax assets and liabilities

	Liability £
<b>2015</b>	
Accelerated tax depreciation	(54,106)
<b>2014</b>	
Accelerated tax depreciation	(46,382)

# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

Deferred tax movement during the year

	At 1 January 2015	Recognised in income	At 31 December 2015
	£	£	£
Accelerated tax depreciation	<u>(46,382)</u>	<u>(7,724)</u>	<u>(54,106)</u>

Deferred tax movement during the prior year

	At 1 January 2014	Recognised in income	At 31 December 2014
	£	£	£
Accelerated tax depreciation	<u>(53,562)</u>	<u>7,180</u>	<u>(46,382)</u>

Company

Deferred tax assets and liabilities

	Liability £
2015	
Accelerated tax depreciation	<u>(37,826)</u>

	Liability £
2014	
Accelerated tax depreciation	<u>(37,826)</u>

Deferred tax movement during the year

	At 1 January 2015	At 31 December 2015
	£	£
Accelerated tax depreciation	<u>(37,826)</u>	<u>(37,826)</u>

Deferred tax movement during the prior year

	At 1 January 2014	Recognised in income	At 31 December 2014
	£	£	£
Accelerated tax depreciation	<u>(45,121)</u>	<u>7,295</u>	<u>(37,826)</u>

# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 10 Property, plant and equipment

#### Group

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2014	13,005	11,713	448,187	472,905
Additions	<u>556</u>	<u>3,600</u>	<u>180,732</u>	<u>184,888</u>
At 31 December 2014	<u>13,561</u>	<u>15,313</u>	<u>628,919</u>	<u>657,793</u>
At 1 January 2015	13,561	15,313	628,919	657,793
Additions	1,997	68,640	226,897	297,534
Disposals	<u>(2,695)</u>	<u>(18,000)</u>	<u>(8,719)</u>	<u>(29,414)</u>
At 31 December 2015	<u>12,863</u>	<u>65,953</u>	<u>847,097</u>	<u>925,913</u>
<b>Depreciation</b>				
At 1 January 2014	11,465	4,667	119,168	135,300
Charge for year	<u>1,322</u>	<u>1,810</u>	<u>141,895</u>	<u>145,027</u>
At 31 December 2014	<u>12,787</u>	<u>6,477</u>	<u>261,063</u>	<u>280,327</u>
At 1 January 2015	12,787	6,477	261,063	280,327
Charge for the year	1,279	19,696	212,074	233,049
Eliminated on disposal	<u>(2,801)</u>	<u>(4,125)</u>	<u>(2,589)</u>	<u>(9,515)</u>
At 31 December 2015	<u>11,265</u>	<u>22,048</u>	<u>470,548</u>	<u>503,861</u>
<b>Carrying amount</b>				
At 31 December 2015	<u>1,598</u>	<u>43,905</u>	<u>376,549</u>	<u>422,052</u>
At 31 December 2014	<u>774</u>	<u>8,836</u>	<u>367,856</u>	<u>377,466</u>
At 1 January 2014	<u>1,540</u>	<u>7,046</u>	<u>329,019</u>	<u>337,605</u>

# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

### Company

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2014	2,967	-	329,765	332,732
Additions	556	3,600	127,466	131,622
At 31 December 2014	3,523	3,600	457,231	464,354
At 1 January 2015	3,523	3,600	457,231	464,354
Additions	1,090	-	182,463	183,553
At 31 December 2015	4,613	3,600	639,694	647,907
<b>Depreciation</b>				
At 1 January 2014	1,036	-	49,515	50,551
Charge for year	829	400	110,177	111,406
At 31 December 2014	1,865	400	159,692	161,957
At 1 January 2015	1,865	400	159,692	161,957
Charge for the year	995	1,200	172,531	174,726
At 31 December 2015	2,860	1,600	332,223	336,683
<b>Carrying amount</b>				
At 31 December 2015	1,753	2,000	307,471	311,224
At 31 December 2014	1,658	3,200	297,539	302,397
At 1 January 2014	1,931	-	280,250	282,181

# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 11 Intangible assets

#### Group

	Goodwill £	Internally generated software development costs £	Total £
<b>Cost or valuation</b>			
At 1 January 2014	1,376,395	549,159	1,925,554
Additions	-	1,084,046	1,084,046
At 31 December 2014	1,376,395	1,633,205	3,009,600
At 1 January 2015	1,376,395	1,633,205	3,009,600
Additions	162,501	1,133,944	1,296,445
At 31 December 2015	1,538,896	2,767,149	4,306,045
<b>Amortisation</b>			
At 1 January 2014	-	284,754	284,754
Amortisation charge	-	279,804	279,804
Impairment	258,780	-	258,780
At 31 December 2014	258,780	564,558	823,338
At 1 January 2015	258,780	564,558	823,338
Amortisation charge	-	655,409	655,409
At 31 December 2015	258,780	1,219,967	1,478,747
<b>Carrying amount</b>			
At 31 December 2015	1,280,116	1,547,182	2,827,298
At 31 December 2014	1,117,615	1,068,647	2,186,262
At 1 January 2014	1,376,395	264,405	1,640,800

# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

### Company

	Internally generated software development costs £	Total £
<b>Cost or valuation</b>		
At 1 January 2014	9,659	9,659
Additions	<u>902,174</u>	<u>902,174</u>
At 31 December 2014	<u>911,833</u>	<u>911,833</u>
At 1 January 2015	911,833	911,833
Additions	<u>955,039</u>	<u>955,039</u>
At 31 December 2015	<u>1,866,872</u>	<u>1,866,872</u>
<b>Amortisation</b>		
At 1 January 2014	268	268
Amortisation charge	<u>109,941</u>	<u>109,941</u>
At 31 December 2014	<u>110,209</u>	<u>110,209</u>
At 1 January 2015	110,209	110,209
Amortisation charge	<u>478,866</u>	<u>478,866</u>
At 31 December 2015	<u>589,075</u>	<u>589,075</u>
<b>Carrying amount</b>		
At 31 December 2015	<u>1,277,797</u>	<u>1,277,797</u>
At 31 December 2014	<u>801,624</u>	<u>801,624</u>
At 1 January 2014	<u>9,391</u>	<u>9,391</u>



## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 12 Investments

##### Group subsidiaries

Details of the group subsidiaries as at 31 December 2015 are as follows

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group	
			2015	2014
360Capital Ltd	Facilitating asset leasing	United Kingdom	100%	100%
360Corporate Ltd	Specialist consultancy services	United Kingdom	100%	100%
360Intellimation Ltd	Company data management	United Kingdom	100%	100%
360Siteview Ltd	The provision of video streaming technology	United Kingdom	100%	100%
360Skylens Ltd	Photography	United Kingdom	80%	80%
360Spatial Ltd	Geographic information system mapping	United Kingdom	100%	100%
Withyouin5 com Limited	Crowdsourcing	United Kingdom	74%	74%
Parkslide Pty Ltd	Provision of development	Australia	51%	51%
Retrieval Technologies Ltd	Holding company	United Kingdom	100%	100%
Infocap Technologies Limited	Development and integration of information capture and retrieval technologies	United Kingdom	100%	100%
The Drainage Repair Company Limited	The investigation and repair of leaking drains	United Kingdom	100%	0%

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Non-wholly owned subsidiaries that have material non-controlling interests

Details of the group's non-wholly owned subsidiaries that have material non-controlling interests are as follows

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	2015 £	2014 £	2015 £	2014 £
360Capital Ltd	United Kingdom	0%	0%	-	-	-	-
360Corporate Ltd	United Kingdom	0%	0%	-	-	-	-
360Intellimation Ltd	United Kingdom	0%	0%	-	-	-	-
360Siteview Ltd	United Kingdom	0%	0%	-	-	-	-
360Skylens Ltd	United Kingdom	20%	20%	(20,309)	(8,543)	-	-
360Spatial Ltd	United Kingdom	0%	0%	-	-	-	-
Withyouin5 com Limited	United Kingdom	26%	26%	(24,202)	(12,865)	-	-
Parkslide Pty Ltd	Australia	49%	49%	-	-	-	-
Retrieval Technologies Ltd	United Kingdom	0%	0%	-	-	-	-
Infocap Technologies Limited	United Kingdom	0%	0%	-	-	-	-
The Drainage Repair Company Limited	United Kingdom	0%	0%	-	-	-	-

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Summarised financial information

Please find below summarised financial information for each of the subsidiaries that has material non-controlling interests

For the year ending 31 December 2015 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

360Capital Ltd - Registered number 07259759

360Corporate Ltd - Registered number 07166799

360Intellimation Ltd - Registered number 07142145

360Siteview Ltd - Registered number 07142142

360Skylens Ltd - Registered number 04502073

360Spatial Ltd - Registered number 07251839

Withyouin5 com Limited - Registered number 07492078

Parkslide Pty Ltd - Registered in Australia ABN 88 128 410 686

Retrieval Technologies Ltd - Registered number 03636068

Infocap Technologies Limited - Registered number 03443879

The Drainage Repair Company Limited - Registered number 08570351

#### Summary of the company investments

	2015 £	2014 £
Investments in subsidiaries	<u>768,575</u>	<u>618,575</u>
Subsidiaries		£
<b>Cost or valuation</b>		
At 1 January 2014		418,575
Additions		<u>200,000</u>
At 31 December 2014		<u>618,575</u>
At 1 January 2015		618,575
Additions		<u>150,000</u>
At 31 December 2015		<u>768,575</u>
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 December 2015		<u>768,575</u>
At 1 January 2014		<u>418,575</u>

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 13 Acquisition of subsidiary

On 30 January 2015, the group acquired 100% of the issued share capital of The Drainage Repair Company Limited, obtaining control. The principal activity of The Drainage Repair Company Limited is drainage repair. The Drainage Repair Company Limited was acquired as an operation particularly suited to utilising the Group's Digital Technology Platform (the "Platform"). This Platform will allow the Company to expand nationally without having to significantly increase its overheads. It is anticipated that the new business model will appeal in particular to the insurance industry, in line with the Group's other offerings.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	2015 £
<b>Assets and liabilities acquired</b>	
Financial assets	62,604
Inventory	650
Property, plant and equipment	58,744
Financial liabilities	<u>(134,499)</u>
Total identifiable assets	<u>(12,501)</u>
Goodwill	<u>162,501</u>
Total consideration	<u>150,000</u>
<b>Satisfied by:</b>	
Cash	<u>150,000</u>
<b>Cash flow analysis:</b>	
Cash consideration	150,000
Less cash and cash equivalent balances acquired	<u>(12,971)</u>
Net cash outflow arising on acquisition	<u>137,029</u>

The goodwill of £162,501 arising from the acquisition consists of the excess consideration for the assets and liabilities of The Drainage Repair Company Limited. None of the goodwill is expected to be deductible for income tax purposes.

# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 14 Other financial assets

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Non-current financial assets				
Available for sale financial assets	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

#### Movement in available for sale assets - group

	2015 £	2014 £
Cost		
At 1 January	100,000	-
Additions	<u>-</u>	<u>100,000</u>
At 31 December	<u>100,000</u>	<u>100,000</u>
Carrying amount		
At 31 December	<u>100,000</u>	<u>100,000</u>

#### Movement in available for sale assets - company

	2015 £	2014 £
Cost		
At 1 January	100,000	-
Additions	<u>-</u>	<u>100,000</u>
At 31 December	<u>100,000</u>	<u>100,000</u>
Provision		
Carrying amount		
At 31 December	<u>100,000</u>	<u>100,000</u>

### 15 Inventories

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Raw materials and consumables	250	250	-	-
Finished goods and goods for resale	<u>3,360</u>	<u>2,710</u>	<u>2,710</u>	<u>2,710</u>
	<u>3,610</u>	<u>2,960</u>	<u>2,710</u>	<u>2,710</u>

# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 16 Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade receivables	222,292	442,906	89,724	357,994
Provision for impairment of trade receivables	(2,140)	(1,500)	(1,500)	(1,500)
Net trade receivables	220,152	441,406	88,224	356,494
Receivables from related parties	-	-	3,005,731	2,645,093
Accrued income	299,768	240,246	299,166	240,246
Prepayments	117,796	115,514	107,563	75,960
Other receivables	81,896	1,344,162	81,896	1,367,734
Total current trade and other receivables	719,612	2,141,328	3,582,580	4,685,527

# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

### Details of non-current trade and other receivables

#### Company

£Nil (2014 - £2,645,093) of Receivables from related parties is classified as non current

### 17 Cash and cash equivalents

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Cash on hand	8	9	-	-
Cash at bank	<u>146,012</u>	<u>715,533</u>	<u>115,351</u>	<u>713,271</u>
	146,020	715,542	115,351	713,271
Bank overdrafts	<u>-</u>	<u>(2,260)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents in statement of cash flows	<u>146,020</u>	<u>713,282</u>	<u>115,351</u>	<u>713,271</u>

### 18 Share capital

#### Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>13,858</u>	<u>13,858</u>	<u>13,858</u>	<u>13,858</u>

### 19 Loans and borrowings

	Group		Company
	2015 £	2014 £	2015 £
Non-current loans and borrowings			
Finance lease liabilities		<u>41,944</u>	<u>38,352</u>
		Group	Company
	2015 £	2014 £	2015 £
Current loans and borrowings			
Bank overdrafts	-	2,260	-
Finance lease liabilities	<u>52,929</u>	<u>-</u>	<u>40,689</u>
	<u>52,929</u>	<u>2,260</u>	<u>40,689</u>

# 360Globalnet Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 20 Obligations under leases and hire purchase contracts

#### Group

#### Finance leases

	Minimum lease payments £	Present value £
2015		
Within one year	52,929	52,929
In two to five years	41,944	41,944
	<u>94,873</u>	<u>94,873</u>

The present values of future finance lease payments are analysed as follows

	2015 £
Current liabilities	52,929
Non-current liabilities	41,944
	<u>94,873</u>

#### Operating leases

The total future value of minimum lease payments is as follows

	2015 £	2014 £
Within one year	91,564	96,567
In two to five years	102,500	184,500
	<u>194,064</u>	<u>281,067</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £99,755 (2014 - £42,157)



## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Company

##### Operating leases

The total future value of minimum lease payments is as follows

	2015 £	2014 £
Within one year	91,564	47,000
In two to five years	<u>102,500</u>	<u>35,250</u>
	<u>194,064</u>	<u>82,250</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £99,755 (2014 - £15,962)

#### 21 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £64,992 (2014 - £36,168)

Contributions totalling £625 (2014 - £-) were payable to the scheme at the end of the year and are included in creditors

#### 22 Trade and other payables

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade payables	537,726	245,331	432,706	178,795
Accrued expenses	381,989	444,674	329,368	411,801
Amounts due to related parties	1,148,484	2,129,190	1,104,296	2,137,054
Social security and other taxes	104,838	98,816	56,036	73,465
Outstanding defined contribution pension costs	625	-	-	-
Other payables	<u>111,595</u>	<u>-</u>	<u>140,921</u>	<u>-</u>
	<u>2,285,257</u>	<u>2,918,011</u>	<u>2,063,327</u>	<u>2,801,115</u>

#### 23 Related party transactions

Summary of transactions with parent entities  
360Shareholders Limited

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Summary of transactions with subsidiaries

360Capital Ltd - (Wholly owned subsidiary)  
 360Corporate Ltd - (Wholly owned subsidiary)  
 360Intellimation Ltd - (Wholly owned subsidiary)  
 360Siteview Ltd - (Wholly owned subsidiary)  
 360Skylens Ltd - (80% owned subsidiary)  
 360Spatial Ltd - (Wholly owned subsidiary)  
 Withyouin5 com Limited - (74% owned subsidiary)  
 Parkslide PTY Ltd - (51% owned subsidiary)  
 Infocap Technologies Limited - (Wholly owned subsidiary)  
 The Drainage Repair Company Limited - (Wholly owned subsidiary)

#### Income and receivables from related parties 2015

	Subsidiary £	Other related parties £
2014		
Sale of goods	8,300	1,083

#### Expenditure with and payables to related parties 2015

##### Loans to related parties

	Subsidiary £
2015	
At start of period	2,656,052
Advanced	349,680
At end of period	3,005,732
2014	
At start of period	2,406,905
Advanced	230,324
Interest received	18,823
At end of period	2,656,052

## 360Globalnet Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Loans from related parties

	Parent £	Subsidiary £	Other related parties £
<b>2015</b>			
At start of period	-	7,863	870,399
Advanced	213,860	-	20,097
Repaid	-	(7,863)	-
At end of period	<u>213,860</u>	<u>-</u>	<u>890,496</u>
		Subsidiary £	Other related parties £
<b>2014</b>			
At start of period		-	820,370
Advanced		7,622	50,029
Interest charged		241	-
At end of period		<u>7,863</u>	<u>870,399</u>

#### 24 Parent and ultimate parent undertaking

The company's immediate parent is 360Shareholders Limited

The most senior parent entity producing publicly available financial statements is 360Shareholders Limited

#### 25 Non adjusting events after the financial period

During the post year end period 360Globalnet Limited entered into an agreement with CSC Computer Sciences International Operations Limited (CSC) The agreement provided funding to the group of £11,100,000 and a charge was created in favour of CSC, both fixed and floating, over all assets of the parent company and fully owned subsidiaries