
I2I Pipelines Limited

Unaudited

Financial statements

Information for filing with the registrar

For the year ended 30 April 2019

I2I Pipelines Limited
Registered number: 08776175

Balance Sheet
As at 30 April 2019

	Note	2019	2018
		£	£
Fixed assets			
Tangible assets	4	358,367	359,598
Investments	5	46	46
		<u>358,413</u>	<u>359,644</u>
Current assets			
Debtors	6	713,214	615,469
Cash at bank and in hand		54,304	14,515
		<u>767,518</u>	<u>629,984</u>
Creditors: amounts falling due within one year	7	(1,833,666)	(1,588,195)
Net current liabilities		<u>(1,066,148)</u>	<u>(958,211)</u>
Total assets less current liabilities		<u>(707,735)</u>	<u>(598,567)</u>
Net liabilities		<u><u>(707,735)</u></u>	<u><u>(598,567)</u></u>
Capital and reserves			
Called up share capital		304	304
Share premium account		591,800	591,800
Profit and loss account		(1,299,839)	(1,190,671)
		<u>(707,735)</u>	<u>(598,567)</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

I2I Pipelines Limited
Registered number: 08776175

Balance Sheet (continued)
As at 30 April 2019

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
S C W Banks

Director

Date: 2 October 2019

The notes on pages 3 to 9 form part of these financial statements.

**Notes to the Financial Statements
For the year ended 30 April 2019**

1. General information

121 Pipelines Limited is a private company limited by shares and incorporated in England and Wales. The address of the registered office is 7,8,9a Greenheys Business Centre, Pencroft Way, Manchester, M15 6JJ. The company's registered number is 08776175.

2. Accounting policies

2.1 Basis of preparation of 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 the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

At 30 April 2019, the company had net current liabilities of £1,066,148 and net liabilities of £707,735 (2018: net current liabilities of £958,211 and net liabilities £598,567). Notwithstanding the loss for the year the director considers that it is appropriate to prepare the financial statements on a going concern basis.

The director and shareholders continue to invest funds into the company for the company to continue to trade as a going concern and having given consideration and applied relevant sensitivities to the forecasts prepared for the company covering the 12 month period from the date of approval of these financial statements. The director is satisfied that the company has adequate resources and will continue to trade as a going concern throughout the period under review.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the 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. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the Financial Statements
For the year ended 30 April 2019

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated 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 so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-
	20-33% straight line
Fixtures and fittings	-
	15% straight line
Computer equipment	-
	25% straight line
Other fixed assets	-
	20% straight line

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.5 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements
For the year ended 30 April 2019

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 in the Statement of income and retained earnings.

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.12 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

Notes to the Financial Statements
For the year ended 30 April 2019

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

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 the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.16 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

Notes to the Financial Statements
For the year ended 30 April 2019

2. Accounting policies (continued)**2.17 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Employees

The average monthly number of employees, including directors, during the year was 17 (2018 - 14).

4. Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Computer equipment	Other Assets	Total
	£	£	£	£	£
Cost or valuation					
At 1 May 2018	20,881	7,309	17,312	393,040	438,542
Additions	35,863	1,358	7,975	54,057	99,253
At 30 April 2019	<u>56,744</u>	<u>8,667</u>	<u>25,287</u>	<u>447,097</u>	<u>537,795</u>
Depreciation					
At 1 May 2018	8,625	2,323	6,655	61,341	78,944
Charge for the year on owned assets	7,558	1,215	5,409	86,302	100,484
At 30 April 2019	<u>16,183</u>	<u>3,538</u>	<u>12,064</u>	<u>147,643</u>	<u>179,428</u>
Net book value					
At 30 April 2019	<u>40,561</u>	<u>5,129</u>	<u>13,223</u>	<u>299,454</u>	<u>358,367</u>
At 30 April 2018	<u>12,256</u>	<u>4,986</u>	<u>10,657</u>	<u>331,699</u>	<u>359,598</u>

121 Pipelines Limited

**Notes to the Financial Statements
For the year ended 30 April 2019**

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2018	<u>46</u>
At 30 April 2019	<u><u>46</u></u>

6. Debtors

	2019 £	2018 £
Trade debtors	215,000	<i>189,687</i>
Amounts owed by group undertakings	243,167	<i>162,503</i>
Other debtors	8,618	<i>23,124</i>
Called up share capital not paid	4	<i>4</i>
Prepayments and accrued income	13,763	<i>5,346</i>
Tax recoverable	232,662	<i>234,805</i>
	<u>713,214</u>	<u><i>615,469</i></u>

Notes to the Financial Statements
For the year ended 30 April 2019

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Short-term shareholder loans	1,416,133	997,000
Trade creditors	288,185	386,243
Amounts owed to group undertakings	-	39,129
Other taxation and social security	14,262	14,693
Other creditors	80,573	73,575
Accruals and deferred income	34,513	77,555
	<u>1,833,666</u>	<u>1,588,195</u>

Short term shareholder loans

£1,066,133 (2018: £647,000) of the short term shareholder loans are secured by a debenture over all freehold and leasehold property together with all buildings, fixtures and fixed plant and machinery. The loans attract interest at 8% per annum and at the year end were repayable on demand.

£350,000 (2018: £350,000) of the short term shareholder loans are unsecured and are not interest bearing.

8. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £27,756 (2018 - £12,614) . Contributions totalling £4,607 (2018 - £3,343) were payable to the fund at the balance sheet date.

9. Commitments under operating leases

At 30 April 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	37,610	19,253
Later than 1 year and not later than 5 years	110,400	-
	<u>148,010</u>	<u>19,253</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.