

**INTELLIGENT GROWTH SOLUTIONS
LIMITED**

**UNAUDITED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2019

PAGES FOR FILING WITH REGISTRAR

INTELLIGENT GROWTH SOLUTIONS LIMITED

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INTELLIGENT GROWTH SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	3		88,998		46,308
Investments	4		50		50
			<u>89,048</u>		<u>46,358</u>
Current assets					
Debtors	5	249,066		15,783	
Cash at bank and in hand		4,244,146		180,140	
		<u>4,493,212</u>		<u>195,923</u>	
Creditors: amounts falling due within one year	6	<u>(411,715)</u>		<u>(382,320)</u>	
Net current assets/(liabilities)			<u>4,081,497</u>		<u>(186,397)</u>
Total assets less current liabilities			<u>4,170,545</u>		<u>(140,039)</u>
Capital and reserves					
Called up share capital	8		4,012		2,431
Share premium account			12,156,763		4,870,330
Profit and loss reserves			(7,990,230)		(5,012,800)
Total equity			<u>4,170,545</u>		<u>(140,039)</u>

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

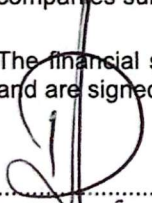
For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 25/3/2020 and are signed on its behalf by:


.....
Mr D Farquhar
Director

Company Registration No. SC440534

INTELLIGENT GROWTH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Intelligent Growth Solutions Limited is a private company limited by shares incorporated in Scotland. The registered office is Kinburn Castle, Doubledykes Road, St Andrews, Fife, KY16 9DR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	10 - 15 years straight line
Fixtures, fittings & equipment	4 years straight line
Computer equipment	3 years straight line

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

INTELLIGENT GROWTH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are recognised at transaction price.

1.9 Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

INTELLIGENT GROWTH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

INTELLIGENT GROWTH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 22 (2018 - 11).

INTELLIGENT GROWTH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2019	58,967
Additions	55,342
At 31 December 2019	<u>114,309</u>
Depreciation and impairment	
At 1 January 2019	12,659
Depreciation charged in the year	12,652
At 31 December 2019	<u>25,311</u>
Carrying amount	
At 31 December 2019	<u>88,998</u>
At 31 December 2018	<u>46,308</u>

4 Fixed asset investments

	2019 £	2018 £
Investments	50	50

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2019 & 31 December 2019	50
Carrying amount	
At 31 December 2019	<u>50</u>
At 31 December 2018	<u>50</u>

INTELLIGENT GROWTH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

5 Debtors	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	320	-
Other debtors	248,746	15,783
	<u>249,066</u>	<u>15,783</u>

6 Creditors: amounts falling due within one year	2019	2018
	£	£
Convertible loans	-	161,500
Trade creditors	236,096	98,292
Taxation and social security	57,065	17,005
Other creditors	118,554	105,523
	<u>411,715</u>	<u>382,320</u>

During the year, the convertible loan notes were converted into equity as a result of the satisfaction of the conditions that were outlined within the convertible loan agreement.

7 Share-based payment transactions

In 2019 the company has issued the following share options to employees/directors:

	Number of share options	
	2019	2018
	Number	Number
Outstanding at 1 January 2019	-	284,000
Granted	376,281	-
Exercised	-	(284,000)
	<u>376,281</u>	<u>-</u>
Outstanding at 31 December 2019	<u>376,281</u>	<u>-</u>
	<u>376,281</u>	<u>-</u>
Exercisable at 31 December 2019	-	-
	<u>-</u>	<u>-</u>

The weighted average fair value of the options granted during the year was £nil (2018 - £nil).

During the year, the company recognised total share-based payment expenses of £- (2018 - £392,659) which related to equity settled share based payment transactions.

INTELLIGENT GROWTH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8	Called up share capital	2019	2018
		£	£
	Ordinary share capital		
	Issued and fully paid		
	2,553,835 (2018: 2,431,011) Ordinary shares of 0.1p each	2,554	2,431
	1,458,333 (2018: 0) A Shares of 0.1p each	1,458	-
		<u>4,012</u>	<u>2,431</u>

During the year 122,824 ordinary shares were issued for proceeds of £471,644.

Also during the year, 1,458,333 A shares were issued for proceeds of £6,999,998.

Legal fees of £183,628 were offset against share premium.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019	2018
£	£
70,583	81,583
<u>70,583</u>	<u>81,583</u>

The above relates to a 10 year lease beginning 31 May 2016.