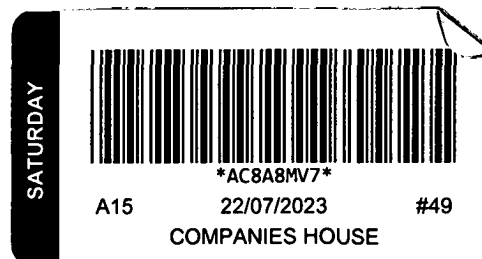

THORCOM SYSTEMS LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE PERIOD ENDED 31 OCTOBER 2022



THORCOM SYSTEMS LIMITED
REGISTERED NUMBER: 02704696

BALANCE SHEET
AS AT 31 OCTOBER 2022

		31 October 2022 £000	<i>As restated</i> 30 April 2021 £000
	Note		
Fixed assets			
Tangible assets	5	14	16
Investments	6	-	-
		<u>14</u>	<u>16</u>
Current assets			
Stocks		1	-
Debtors	7	197	403
Cash at bank and in hand	8	273	174
		<u>471</u>	<u>577</u>
Creditors: amounts falling due within one year	9	(358)	(589)
Net current assets/(liabilities)		<u>113</u>	<u>(12)</u>
Total assets less current liabilities		<u>127</u>	<u>4</u>
Creditors: amounts falling due after more than one year	10	(136)	(215)
Net liabilities		<u>(9)</u>	<u>(211)</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account		(11)	(213)
		<u>(9)</u>	<u>(211)</u>

THORCOM SYSTEMS LIMITED
REGISTERED NUMBER: 02704696

BALANCE SHEET (CONTINUED)
AS AT 31 OCTOBER 2022

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.

The Company has opted not to file the statement of comprehensive income 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 on

13 July 2023



P E Williams
Director

The notes on pages 4 to 15 form part of these financial statements.

THORCOM SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 May 2020 (as restated)	2	91	93
Comprehensive income for the year (as restated)			
Loss for the year (as restated)	-	(304)	(304)
At 1 May 2021 (as restated)	2	(213)	(211)
Comprehensive income for the period			
Profit for the period	-	202	202
At 31 October 2022	2	(11)	(9)

The notes on pages 4 to 15 form part of these financial statements.

THORCOM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2022

1. General information

Thorcom Systems Limited is a private limited company, limited by shares and incorporated in England, United Kingdom. The address of the registered office is Unit 4, 96B Blackpole Trading Estate, Worcester, WR3 8TJ. The Company's registration number is 02704696.

2. Accounting policies

2.1 Basis of preparation of financial statements

The reporting period covered by the financial statements is the 18-months ended 31 October 2022 and therefore, the comparative for the year ended 30 April 2021 are not comparable. The Company extended its year-end to coincide with other group companies.

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 functional currency of the Company is considered to be pounds Sterling because that is the currency of the primary economic environment in which the Company operates. All amounts have been rounded to the nearest thousand pounds.

The following principal accounting policies have been applied:

2.2 Going concern

The Company is part of the TTG Global Solutions Group Limited group. The Group's business activities, together with the factors likely to affect its future development and position are set out in the business review, which forms part of the Strategic report, in TTG Global Solutions Limited's financial statements. The Strategic report also describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; its exposure to credit risk and liquidity risk and the impact and potential risks around COVID-19.

The Company and Group have procedures in place for reviewing future performance including budgeted and forecast trading and profitability. These forecasts include reasonable assumptions and predictions over trading; they take a prudent view of the costs of the business.

The Company and Group have taken significant actions over the recent periods with the aim of improving the financial results of the businesses. Whilst the business saw lower turnover in 2021/22 with better margins the business reported a profit for the period. The start of 2022/23 has seen a number of significant wins and the Board expect a profitable year for 2022/23. In addition, the Group has cash resources and banking facilities in place to enable the Group and Company to continue in operational existence for the 12 months from the signing of the accounts. Whilst the Group, like most other businesses, is exposed to fluctuations in trading and the need to continually win and deliver new contracts on a profitable basis to new and existing customers to ensure its continued success and survival, the Directors believe that their forecasts, give a reasonable expectation to assume that the Company and Group have adequate resources to continue in existence for the 12 months from the signing of the accounts.

Taking the matters above into account, and having reviewed these forecasts, for the 12 months from the date of this report, and as a result of that review, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the 12 months from the signing of the accounts. Accordingly, the going concern basis of preparation has been adopted in

THORCOM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

2.2 Going concern (continued)

the financial statements. The Directors' views take into account the current shareholders' deficit that exists at 31 October 2022.

2.3 Revenue

Revenue, which excludes value added tax, comprises revenue earned from installation, commissioning and maintenance activities. Revenue is recognised in the Statement of comprehensive income at the point that a service is provided or products supplied. Revenue for maintenance contracts is recognised on a straight-line basis over the period for which maintenance is contractually agreed by the Company with the customer.

Long-term contracts

Revenue arising from long-term contracts is recognised in the Statement of comprehensive income over the term of the related long-term contract so as to match the revenue and profits arising with related costs incurred to date. The amount of long-term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with revenue, is included in debtors as amounts recoverable on contracts.

2.4 Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, with the exception of development expenditure incurred on major product projects where the Directors are satisfied with the technical, commercial and financial viability of individual projects.

In such cases, the identifiable expenditure is deferred and amortised over a period of five years from the point that commercial production commences. Provision is made for any impairment.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.6 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

2.8 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 comprehensive income 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.

2.9 Taxation

Tax is recognised in the statement of comprehensive income 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 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.

THORCOM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	25%
Fixtures and fittings	-	25%

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 comprehensive income.

2.11 Valuation of investments

Investments in joint ventures are measured at cost less accumulated impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

2.13 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.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 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.

2.16 Financial instruments

The Company only enters into basic financial instrument 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, loans to related parties and investments in ordinary shares.

THORCOM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

2.16 Financial instruments (continued)

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 comprehensive income.

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.

THORCOM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- **Capitalisation of development costs**

Research expenditure is written off as incurred. Development expenditure is also written off, with the exception of development expenditure incurred on major new product projects where the Directors are satisfied that the technical, commercial and financial viability of individual projects and their recoverability through future cash generation is in accordance with FRS 102. An impairment would be made where the Directors estimate based on forecasts undertaken, that the profits and cashflows generated from the asset are less than the carrying value of the asset.

Key Source of Estimation Uncertainty

- **Revenue recognition**

When the outcome on a contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue and costs are recognised over the period of the contract by reference to the stage of completion based on actual costs incurred to the end of the accounting period compared to forecasted costs to determine the appropriate amount to be recognised in a given period. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

In determining the stage of completion the Company has appropriate systems for cost estimating, forecasting and revenue and costs reporting. The system also requires consistent judgement (forecasting) of the final outcome of the contract. Estimates are an inherent part of this assessment and the actual future outcome may deviate from the estimated outcome.

4. Employees

The average monthly number of employees, including directors, during the period was 11 (2021 - 10).

THORCOM SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2022**

5. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost			
At 1 May 2021	23	62	85
Additions	-	5	5
At 31 October 2022	<u>23</u>	<u>67</u>	<u>90</u>
Depreciation			
At 1 May 2021	15	54	69
Charge for the period	3	4	7
At 31 October 2022	<u>18</u>	<u>58</u>	<u>76</u>
Net book value			
At 31 October 2022	<u>5</u>	<u>9</u>	<u>14</u>
<i>At 30 April 2021</i>	<u>8</u>	<u>8</u>	<u>16</u>

THORCOM SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2022**

6. Fixed asset investments

	Investment in joint ventures £000
Cost	
Additions	10
At 31 October 2022	<u>10</u>
Impairment	
Charge for the period	10
At 31 October 2022	<u>10</u>
Net book value	
At 31 October 2022	<u>-</u>
At 30 April 2021	<u>-</u>

The Company own 33% of TST Systems Limited which operates as a joint venture. The registered office of TST Systems Limited is Unit 4 Blackpole Trading Estate West, Worcester, England, WR3 8TJ. During the period the joint venture ceased trading, and the above investment was impaired.

7. Debtors

	31 October 2022 £000	<i>As restated 30 April 2021 £000</i>
Trade debtors	89	75
Other debtors	106	25
Prepayments and accrued income	2	-
Amounts recoverable on long-term contracts	-	303
	<u>197</u>	<u>403</u>

THORCOM SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2022**

8. Cash and cash equivalents

	31 October 2022 £000	<i>30 April 2021 £000</i>
Cash at bank and in hand	273	174
	<u>273</u>	<u>174</u>

9. Creditors: Amounts falling due within one year

	31 October 2022 £000	<i>As restated 30 April 2021 £000</i>
Bank loans	60	15
Trade creditors	4	28
Amounts owed to group undertakings	160	-
Other taxation and social security	55	19
Accruals and deferred income	79	527
	<u>358</u>	<u>589</u>

10. Creditors: Amounts falling due after more than one year

	31 October 2022 £000	<i>As restated 30 April 2021 £000</i>
Bank loans	136	215
	<u>136</u>	<u>215</u>

THORCOM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2022

11. Loans

Analysis of the maturity of loans is given below:

	31 October 2022 £000	30 April 2021 £000
Amounts falling due within one year		
Bank loans	60	15
	<u>60</u>	<u>15</u>
Amounts falling due 1-2 years		
Bank loans	60	60
	<u>60</u>	<u>60</u>
Amounts falling due 2-5 years		
Bank loans	76	155
	<u>76</u>	<u>155</u>
	<u>196</u>	<u>230</u>

12. Share capital

	31 October 2022 £000	30 April 2021 £000
Authorised, allotted, called up and fully paid		
2,000 (2021 - 2,000) Ordinary shares of £1.00 each	2	2
	<u>2</u>	<u>2</u>

THORCOM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2022

13. Prior period adjustment

During the period the Company made the following prior period adjustments:

	Year ended 30 April 2021 £'000	Pre- comparative £'000
(Over) statement of stock	-	(81)
(Over) statement of trade debtors	-	(20)
(Over) statement of maintenance revenue	-	(61)
Understatement of project revenue	128	86
(Under) statement of project costs	(458)	(326)
	<u>(330)</u>	<u>(402)</u>

Following changes in management, the accounting treatment of revenue and costs were reviewed and adjustments made to be consistent with FRS102 1A requirements. An amount of stock has not moved in a number of years and the directors consider this should have been provided for in previous years. A trade debtor has been outstanding for a number of years and the directors consider this amount should have been provided for in previous years. The directors identified maintenance revenue not being recorded as revenue over the period of performance. The directors identified project revenue and costs not being recorded in the period revenue was earned and costs incurred, including where losses on contracts were identifiable.

The impact on the financial statements was the overstatement of profit and loss reserves at 1 May 2020 of £402,000 and the cumulative overstatement of profit and loss reserves at 30 April 2021 of £732,000,

14. Pension commitments

The group operates defined contribution schemes. During the period, the Company made contributions to defined contribution schemes of £17,000 (*year ended 30 April 2021 - £12,000*). The amount outstanding to defined contribution schemes at period end balance sheet date are reflected in group company Simoco EMEA Limited and amounted to £2,500 (*30 April 2021 - £2,000*).

15. Commitments under operating leases

At 31 October 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 October 2022 £000	30 April 2021 £000
Not later than 1 year	6	-
	<u>6</u>	<u>-</u>

THORCOM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2022

16. Related party transactions

The Company has taken advantage of the exemption under Section 33 of FRS 102, Related Party Disclosures, not to disclose transactions with other wholly owned entities that are part of TTG Global Solutions Group Limited group, whose financial statements will be publicly available.

17. Controlling party

The immediate parent undertaking is Team Telecommunications Group Limited, which is registered in England, United Kingdom. The ultimate parent undertaking is TTG Global Solutions Group Limited which is registered in England, United Kingdom. The Parent Company's registered office is at Field House, Uttoxeter Old Road, Derby, DE1 1NH. The smallest and largest group in which the results of the company are consolidated is that headed by TTG Global Solutions Group Limited, which is the only entity that prepares consolidated financial statements. The consolidated financial statements of TTG Global Solutions Group Limited will be available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The directors consider that there is no ultimate controlling party.

18. Auditors' information

The auditors' report on the financial statements for the period ended 31 October 2022 was unqualified.

The audit report was signed on 20th July 2023 by Stephen Newman (Senior statutory auditor) on behalf of PKF Smith Cooper Audit Limited.