

Company registration number 07839720 (England and Wales)

THOMAS GRAY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022
PAGES FOR FILING WITH REGISTRAR

THOMAS GRAY LIMITED

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THOMAS GRAY LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	5	867,344	1,027,469
Tangible assets	6	36,545	40,131
Investments	7	33,333	509,753
		<u>937,222</u>	<u>1,577,353</u>
Current assets			
Debtors	8	239,575	1,379,541
Cash at bank and in hand		447,765	289,307
		<u>687,340</u>	<u>1,668,848</u>
Creditors: amounts falling due within one year	9	<u>(639,298)</u>	<u>(472,100)</u>
Net current assets		<u>48,042</u>	<u>1,196,748</u>
Total assets less current liabilities		<u>985,264</u>	<u>2,774,101</u>
Provisions for liabilities	10	<u>(4,402)</u>	<u>(5,337)</u>
Net assets		<u>980,862</u>	<u>2,768,764</u>
Capital and reserves			
Called up share capital	11	600	600
Profit and loss reserves		980,262	2,768,164
Total equity		<u>980,862</u>	<u>2,768,764</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 30 September 2022 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 member has 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.

THOMAS GRAY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 9 May 2023 and are signed on its behalf by:

I Gray
Director

Company Registration No. 07839720

THOMAS GRAY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 October 2020	600	2,329,619	2,330,219
Period ended 30 September 2021:			
Profit and total comprehensive income for the period	-	438,545	438,545
Balance at 30 September 2021	600	2,768,164	2,768,764
Year ended 30 September 2022:			
Profit and total comprehensive income for the year	-	463,153	463,153
Capital contributions to Employee Ownership Trusts	-	(2,251,055)	(2,251,055)
Balance at 30 September 2022	600	980,262	980,862

THOMAS GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Thomas Gray Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ground Floor Crest House, 53 Station Road, Egham, Surrey, TW20 9LG.

1.1 Reporting period

The reporting period is a 365-day period from 1 October 2020 to 30 September 2021. The comparative period is a 549-day period from 1 April 2019 to 30 September 2020. The reporting periods are therefore not directly comparable.

1.2 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.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for recruitment services supplied within the normal course of business, net of discounts, VAT and other sales related taxes.

The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities as described below. The company bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Turnover arising from the placement of permanent candidates is recognised at the time the candidate commences full-time employment. Provision is made for the expected cost of meeting obligations where employees do not work for the specified contractual period.

Turnover arising from temporary placements is recognised over the period that temporary staff are provided. Where the company is acting as a principal, turnover represents the amounts billed for the services of temporary staff including the salary costs of those staff.

Where the company acts as principal in arrangements that invoice on behalf of other recruitment agencies, turnover represents amounts invoiced and collected on behalf of other recruitment agencies including arrangements where no commission is directly receivable by the company.

Where the company is acting as an agent, turnover represents commission receivable relating to the supply of temporary staff and does not include the salary costs of the temporary staff.

THOMAS GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

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

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

Fixtures, fittings & equipment	15% reducing balance
Computer equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 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.

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

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

THOMAS GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

THOMAS GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation

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

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

THOMAS GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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 in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 these 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

No critical judgements, estimates or assumptions have been made in the preparation of these financial statements.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	11	11
	==	==

THOMAS GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

4 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	255,510	184,372
Deferred tax		
Origination and reversal of timing differences	41,829	(44,002)
Total tax charge	297,339	140,370

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	760,492	578,915
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	144,493	109,994
Tax effect of expenses that are not deductible in determining taxable profit	81,234	74,629
Gains not taxable	(228)	-
Amortisation on assets not qualifying for tax allowances	30,424	-
Deferred tax	41,829	(44,002)
Capital allowances	(223)	(251)
Charitable donations relief	(190)	-
Taxation charge for the year	297,339	140,370

5 Intangible fixed assets

	Goodwill £
Cost	
At 1 October 2021 and 30 September 2022	2,135,000
Amortisation and impairment	
At 1 October 2021	1,107,531
Amortisation charged for the year	160,125
At 30 September 2022	1,267,656
Carrying amount	
At 30 September 2022	867,344
At 30 September 2021	1,027,469

THOMAS GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

6 Tangible fixed assets

	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£
Cost			
At 1 October 2021	86,569	30,255	116,824
Additions	-	3,633	3,633
At 30 September 2022	86,569	33,888	120,457
Depreciation and impairment			
At 1 October 2021	46,438	30,255	76,693
Depreciation charged in the year	6,020	1,199	7,219
At 30 September 2022	52,458	31,454	83,912
Carrying amount			
At 30 September 2022	34,111	2,434	36,545
At 30 September 2021	40,131	-	40,131

7 Fixed asset investments

	2022 £	2021 £
Investments	33,333	509,753

Fixed asset investments consist of shareholdings in Pello Capital Limited recognised at cost value of £33,333 (2021: £431,329) and MICT Inc recognised at fair value of £0 (2021: £78,424) calculated based on market price. During the year the investment in MICT Inc, was disposed of and the investment in Pello Capital Limited was partially disposed of leaving a balance of £33,333.

8 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	236,401	150,142
Other debtors	3,174	1,186,635
	239,575	1,336,777
Deferred tax asset	-	42,764
	239,575	1,379,541

THOMAS GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

9 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,936	680
Corporation tax	255,510	184,372
Other taxation and social security	146,018	251,032
Other creditors	235,834	36,016
	<u>639,298</u>	<u>472,100</u>

On 11 August 2022 the company granted a Mortgage Debenture to Mr Ian Gray, creating a mortgage over all land and a fixed charge over all rights in key contracts, key accounts, equipment, debts, investments, intellectual property, goodwill and uncalled capital.

10 Provisions for liabilities

	2022 £	2021 £
Deferred tax liabilities	4,402	5,337
	<u>4,402</u>	<u>5,337</u>

11 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary of 10p each	6,000	300	600	300
Ordinary A of £1 each	-	100	-	100
Ordinary B of £1 each	-	100	-	100
Ordinary C of £1 each	-	100	-	100
	<u>6,000</u>	<u>600</u>	<u>600</u>	<u>600</u>

Ordinary shares confer on the holders the right to dividends and to vote upon any resolution proposed at any general meeting of the company and the right to any capital distribution.

Ordinary A, Ordinary B and Ordinary C shares confer on the holders the right to dividends but do not confer on the holders the right to vote upon any resolution proposed at any general meeting of the company, and nor do they confer any capital distribution rights.

On 11 August 2022 each share class was sub-divided into £0.10 shares increasing the number of shares in issue from 600 to 6,000. On the same day, the Ordinary A, B and C shares were each re-designated as Ordinary shares of £0.1 each.

The rights of the Ordinary A, B and C shares are varied by their re-designation into ordinary shares. The Ordinary shares have attached to them full voting, dividend and capital distribution rights; They do not confer any rights of redemption.

On 11 August 2022 the entire share capital of the company was purchased by Thomas Gray EOT Limited as trustees of the Thomas Gray Employee Ownership Trust.

THOMAS GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

12 Related party transactions

During the period, the company operated a loan account with IWG Consulting Limited Liability Partnership; a related party by virtue of common control. At the balance sheet date, the company was owed £0 (2021: £847,136). During the period, the company incurred expenses on behalf of IWG Consulting Limited Liability Partnership of £0 (2021: £35,879).

13 Control

The entire share capital of Thomas Gray Limited are registered in the name of Thomas Gray EOT Limited as trustees of the Thomas Gray employee ownership trust.

The ultimate controlling party of the company the trustee directors, Mr Ian Gray, Mr Jeremy Martell and Mr Matthew Revett, as they will each be exercising "significant influence or control" over the trustee company.

14 Directors' transactions

As Directors of Thomas Gray Limited and Thomas Gray EOT Limited, Mr Ian Gray is considered a related party.

During the period, the company operated a loan account with the director I Gray. At the balance sheet date, the company owes £222,821 to the director (2021: the director owed the company £327,103). During the period, I Gray withdrew £683,076 (2021: £342,157) and repaid £1,233,000 (2021: £14,500). This balance is included within other creditors and is unsecured, interest-free and repayable-on-demand.

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.