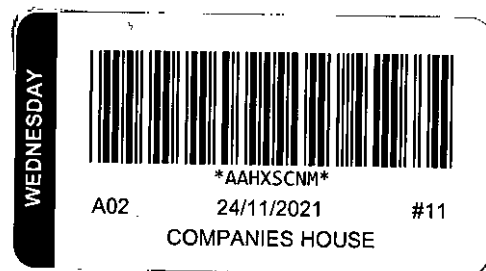


# TIG Limited

Registered number: 04308824

## Annual report and financial statements

For the year ended 31 March 2021



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**TIG LIMITED**

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**COMPANY INFORMATION**

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**Directors**

R Bradley  
G Georgiou  
D J Lekerman  
R W Smith  
R Best

**Registered number**

04308824

**Registered office**

Waverley House  
4th Floor  
7-12 Noel Street  
London  
Westminster  
W1F 8GQ

**Independent auditor**

Mazars LLP  
Chartered Accountants & Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

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**TIG LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their report and the audited financial statements for the year ended 31 March 2021.

**Principal activity**

The principal activity of the company continued to be that of provision of IT consultancy services.

In March 2021 the group, that TIG Limited forms part of, went through a restructuring, which resulted in a change of ultimate controlling party from TIGL Holdings Limited, to Challenger 55 Limited.

**Results and dividends**

The loss for the year, after taxation, amounted to £745,324 (2020: loss of £270,055).

The directors do not recommend the payment of a dividend for the year (2020: £nil).

**Directors**

The directors who served during the year and up to the date of this report were:

R Bradley (appointed 15 February 2021)  
G Georgiou  
D J Lekerman  
R W Smith  
C P L Winning (appointed 1 March 2020, resigned 12 February 2021)  
R Best (appointed 1 October 2021)

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**The withdrawal of the United Kingdom from the European Union**

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. In general, tariffs and quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom of cross-border trade. The company continues to carefully monitor the practical application of the new trading arrangements by regulatory authorities and to better understand what the eventual impact on its business will be. The process of determining these effects is ongoing, and continues to be delayed by the suspension of certain sectors of economic activity in response to the COVID-19 pandemic.

**Economic impact of the COVID-19 pandemic**

The COVID-19 pandemic continues to affect the UK and global economies adversely. At the time of signing this report, the government has lifted the social restrictions which have suppressed economic activity during 2020 and 2021. Since the lifting of restrictions UK and global economies have experienced growth, however the directors continue to monitor UK and global economies as it is not possible to predict the medium and long-term impact. The priorities of the directors remain to comply with all regulatory requirements to the fullest extent possible, and to maintain the safety and well-being of the company's personnel.

**Going concern**

The directors have considered the company's ability to meet its liabilities as they fall due for the foreseeable future, in conjunction with the shareholder loan and other facilities available.

The company has net liabilities that is primarily the result of the company's funding structure. The company is cash generative on an operating basis and the detailed forecasts prepared by the directors confirm that it is expected to remain so over the forthcoming years.

Following the fundraising on 3 March 2021, the company has sufficient unused cash to support its projected growth and, together with ongoing discussions with the company's external backers to fund future acquisitions, the directors are confident that obligations can be met as they fall due. Therefore, the financial statements have been prepared on a going concern basis.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the company since the year end.

**Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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**TIG LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



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Des Lekerman (Oct 22, 2021 11:42 GMT+1)

**D J Lekerman**  
Director

Date: Oct 22, 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIG LIMITED**

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**Opinion**

We have audited the financial statements of TIG Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIG LIMITED**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIG LIMITED**

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**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless either the directors intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIG LIMITED**

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Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit report**

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.



Yuvan Deena (Oct 26, 2021 11:39 GMT+1)

Yuvan Deena (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

Date: Oct 26, 2021

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**TIG LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Note	2021 £	2020 £
Turnover		7,696,586	6,570,790
Cost of sales		(5,201,763)	(4,909,764)
<b>Gross profit</b>		<b>2,494,823</b>	1,661,026
Administrative expenses		(2,966,579)	(1,549,570)
Amortisation	4	(110,028)	(137,409)
Depreciation	5	(222,616)	(263,767)
Other operating income		16,623	-
<b>Operating loss</b>		<b>(787,777)</b>	(289,720)
Interest payable and similar expenses		(28,070)	(15,585)
<b>Loss before tax</b>		<b>(815,847)</b>	(305,305)
Tax on loss		70,523	35,250
<b>Loss for the financial year</b>		<b>(745,324)</b>	(270,055)
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(745,324)</b>	(270,055)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.


The notes on pages 11 to 24 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	4	145,325	240,568
Tangible fixed assets	5	572,303	265,463
Investments	6	-	-
		<u>717,628</u>	<u>506,031</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	2,194,118	1,874,018
Cash at bank and in hand		1,186,714	184,134
		<u>3,380,832</u>	<u>2,058,152</u>
Creditors: amounts falling due within one year	8	(4,183,197)	(2,654,072)
<b>Net current liabilities</b>		<u>(802,365)</u>	<u>(595,920)</u>
<b>Total assets less current liabilities</b>		<u>(84,737)</u>	<u>(89,889)</u>
Creditors: amounts falling due after more than one year	9	(61,820)	(40,039)
<b>Net liabilities</b>		<u>(146,557)</u>	<u>(129,928)</u>
<b>Capital and reserves</b>			
Called up share capital	12	400	400
Share premium account	13	99,980	99,980
Capital contribution reserve	13	728,695	-
Profit and loss account	13	(975,632)	(230,308)
<b>Total equity</b>		<u>(146,557)</u>	<u>(129,928)</u>

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

  
 Des Lekerman (Oct 22, 2021 11:42 GMT+1)

**D J Lekerman**  
 Director

Date: Oct 22, 2021

The notes on pages 11 to 24 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£	£
<b>At 1 April 2019</b>	<b>400</b>	<b>99,980</b>	<b>-</b>	<b>39,747</b>	<b>140,127</b>
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(270,055)	(270,055)
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	(270,055)	(270,055)
<b>At 1 April 2020</b>	<b>400</b>	<b>99,980</b>	<b>-</b>	<b>(230,308)</b>	<b>(129,928)</b>
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(745,324)	(745,324)
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	(745,324)	(745,324)
Share options expense	-	-	728,695	-	728,695
<b>At 31 March 2021</b>	<b>400</b>	<b>99,980</b>	<b>728,695</b>	<b>(975,632)</b>	<b>(146,557)</b>

The notes on pages 11 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. General information**

TIG Limited is a private company limited by shares, incorporated and registered in England and Wales. The address of the registered office of the company is Waverley House 4th Floor, 7-12 Noel Street, London, Westminster, England, W1F 8GQ.

The principal activity of the company during the year continued to be that of provision of IT consultancy services.

In March 2021 the group, which TIG Limited forms part of, went through a restructuring, which resulted in a change of ultimate controlling party from TIGL Holdings Limited, to Challenger 55 Limited.

**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 financial statements have been presented in Pounds Sterling and are rounded to the nearest pound as this is the currency of the primary economic environment in which the company operates.

The following principal accounting policies have been applied:

**2.2 Going concern**

The directors have considered the company's ability to meet its liabilities as they fall due for the foreseeable future, in conjunction with the shareholder loan and other facilities available.

The company has net liabilities that is primarily the result of the company's funding structure. The company is cash generative on an operating basis and the detailed forecasts prepared by the directors confirm that it is expected to remain so over the forthcoming years.

Following the fundraising on 3 March 2021, the company has sufficient unused cash to support its projected growth and, together with ongoing discussions with the company's external backers to fund future acquisitions, the directors are confident that obligations can be met as they fall due. Therefore, the financial statements have been prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Consultancy income is recognised in the period the work is performed.

Income in respect of hardware and software resale is recognised on the date of delivery.

Annual contract income is recognised on a straight line basis, over the term of the contract, except for new IT support contracts when further income is recognised to reflect the additional work required at inception.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

**2.4 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**2.5 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.6 Government grants**

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays.

The company has taken advantage of the Coronavirus Job Retention Scheme (CJRS). This has been accounted for as a government grant under the accruals model as permitted by FRS 102. They are recognised when the entity has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received. Grants relating to expenditure on wages and salaries are credited to 'other operating income' within the Statement of Comprehensive Income.

**2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 Interest payable and similar expenses**

Finance costs are charged to profit or loss 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.

**2.9 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 Statement of Financial Position 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 reporting date.

**2.12 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	25% straight line
Website	-	25% straight line

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.13 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Land and buildings Leasehold	- Over term of lease to break date of 5 years
Motor vehicles	- 25% straight line
Computer equipment	- 25% to 33.33% 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 profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.14 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.

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.

**2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.16 Debtors: amounts falling due within one year**

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.

**2.17 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.

**2.18 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 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.19 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.

**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.

**2.20 Equity instruments**

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

**3. Employees**

The average monthly number of employees, including directors, during the year was 46 (2020: 30).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

4. Intangible assets

	Development expenditure £	Website £	Total £
<b>Cost</b>			
At 1 April 2020	1,167,614	52,110	1,219,724
Additions	3,038	11,747	14,785
At 31 March 2021	<u>1,170,652</u>	<u>63,857</u>	<u>1,234,509</u>
<b>Amortisation</b>			
At 1 April 2020	972,526	6,630	979,156
Charge for the year	94,411	15,617	110,028
At 31 March 2021	<u>1,066,937</u>	<u>22,247</u>	<u>1,089,184</u>
<b>Net book value</b>			
At 31 March 2021	<u>103,715</u>	<u>41,610</u>	<u>145,325</u>
At 31 March 2020	<u>195,088</u>	<u>45,480</u>	<u>240,568</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**
**5. Tangible fixed assets**

	Land and buildings Leasehold £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2020	314,782	154,352	908,251	1,377,385
Additions	173,293	-	356,163	529,456
At 31 March 2021	<u>488,075</u>	<u>154,352</u>	<u>1,264,414</u>	<u>1,906,841</u>
<b>Depreciation</b>				
At 1 April 2020	278,965	46,106	786,851	1,111,922
Charge for the year	43,060	19,765	159,791	222,616
At 31 March 2021	<u>322,025</u>	<u>65,871</u>	<u>946,642</u>	<u>1,334,538</u>
<b>Net book value</b>				
At 31 March 2021	<u>166,050</u>	<u>88,481</u>	<u>317,772</u>	<u>572,303</u>
At 31 March 2020	<u>35,816</u>	<u>108,246</u>	<u>121,401</u>	<u>265,463</u>

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Long leasehold	166,049	35,817
	<u>166,049</u>	<u>35,817</u>

**Finance leases**

The net book value of other tangible fixed assets includes £219,460 (2020: £163,373) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £94,641 (2020: £127,066) for the year.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

6. Investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2020	3
At 31 March 2021	3
<b>Impairment</b>	
At 1 April 2020	3
At 31 March 2021	3
<b>Net book value</b>	
At 31 March 2021	-
At 31 March 2020	-

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
The Internet Group Limited	4th Floor Waverley House 7 - 12 Noel Street, Westminster, London, England, W1F 8GQ	Dormant	Ordinary	100%
Internet Adventure Limited	4th Floor Waverley House 7 - 12 Noel Street, Westminster, London, England, W1F 8GQ	Dormant	Ordinary	100%

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**7. Debtors: Amounts falling due within one year**

	2021 £	2020 £
Trade debtors	1,371,791	1,288,217
Amounts owed by group undertakings	164,279	33,887
Other debtors	9,528	92,803
Prepayments and accrued income	502,843	383,957
Deferred tax asset (note 11)	145,677	75,154
	<u>2,194,118</u>	<u>1,874,018</u>

Trade debtors are stated after provisions of £58,885 (2020: £166,860).

Amounts owed by group undertakings includes loans which are unsecured, interest-free and have no fixed repayment date.

**8. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	581,184	875,763
Amounts owed to group undertakings	1,425,325	549,229
Other taxation and social security	904,379	354,512
Obligations under finance lease and hire purchase contracts	143,518	54,320
Other creditors	1,342	10,210
Accruals and deferred income	1,127,449	810,038
	<u>4,183,197</u>	<u>2,654,072</u>

Santander UK plc holds the following charges over the company:

Debenture comprising fixed and floating charges over all the assets and undertaking of the company including all present and future goodwill, book and other debts, freehold and leasehold property, fixtures and fittings, plant and machinery and uncalled capital. This charge has been satisfied in full on 10 March 2020.

Santander UK plc also holds a fixed and floating charge covering all the property or undertaking of the company. The charge also contains a negative pledge.

Amounts owed to group undertakings includes loans which are unsecured, interest-free and have no fixed repayment date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	61,820	40,039
	<u>61,820</u>	<u>40,039</u>

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	143,518	54,320
Between 1-5 years	61,820	40,039
	<u>205,338</u>	<u>94,359</u>

11. Deferred taxation

	2021 £	2020 £
At beginning of year	75,154	38,275
Credited to profit or loss	70,523	36,879
<b>At end of year</b>	<u>145,677</u>	<u>75,154</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(41,376)	(8,322)
Tax losses carried forward	158,817	83,476
Other timing differences	28,236	-
	<u>145,677</u>	<u>75,154</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**12. Called up share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
400 (2020: 400) Ordinary shares of £1.00 each	<b>400</b>	<b>400</b>

The ordinary shares entitle each holder to one voting right and no right to fixed income.

**13. Reserves**

**Share premium account**

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

**Capital contribution reserve**

This reserve represents the share options granted by the group company for free in respect of services provided by employees of TIG Limited.

**Profit and loss account**

This reserve represents the cumulative profits and losses of the company.

**14. Commitments under operating leases**

At 31 March 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	<b>354,688</b>	167,796
Later than 1 year and not later than 5 years	<b>1,152,734</b>	5,565
	<b>1,507,422</b>	173,361

**15. Related party transactions**

The company is a wholly owned member of TIGL Holdings Limited and as such has taken advantage of the exemption permitted by section 33 Related party disclosure, not to provide disclosures of transactions entered into with other wholly owned members of the group.

**16. Post balance sheet events**

There have been no significant events affecting the company since the year end.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**17. Controlling party**

The immediate parent company is TIGL Holdings Limited. The ultimate controlling party is Challenger 55 Limited following the group restructuring disclosed in the Directors' Report.

The TIGL Holdings Limited group is both the smallest and the largest group into which the company's financial statements are consolidated. Copies of the group financial statements for the ultimate parent undertaking may be obtained from Waverley House 4th Floor, 7-12 Noel Street, London, W1F 8GQ.