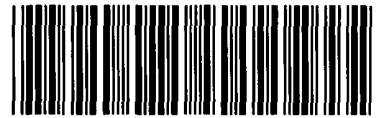


Financial Statements Thorogood Associates Limited

For the year ended 30 September 2016

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Registered number: 02149616

Thorogood Associates Limited

Company Information

Directors	Mr P Balacky Ms P J Honigsberger Mr T Jones Mr P W Nicol
Company secretary	Ms S Boyer
Registered number	02149616
Registered office	2nd Floor International House 7 High Street London W5 5DB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	HSBC Bank plc 1 Com Market High Wycombe Bucks HP11 2AY
Solicitors	The Head Partnership 9 Chalfont Court Lower Earley Reading Berks RG6 5SY

Thorogood Associates Limited

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Thorogood Associates Limited

Group strategic report

For the year ended 30 September 2016

Thorogood is a professional services firm specialising in business intelligence and analytics. Our clients are very large companies; they use our services to help them to manage the complexity and risk inherent in large scale operations, to increase productivity and to identify new opportunities for growth and profitability.

The UK legal entity, Thorogood Associates Limited has two wholly-owned subsidiaries; Thorogood Associates Inc. in the USA (established in 2002) and Thorogood Associates India Private Limited in India (established in 2004). All the legal entities support each other in the delivery of services to the group's clients. The financial results are the consolidated financial results of the group.

Business review

The Group increased revenues and profits in FY 2016. Capacity was increased in all markets. Our ability to execute business intelligence projects is positively differentiated from those of our competitors. The significance of cloud computing for our business is increasing rapidly and we will make increased investments in relevant capability areas and in marketing. We expect revenue and profit to be maintained in FY 2017.

The Group continues to execute on the Thorogood Operating Model, recruiting exceptional talent, developing superior delivery capabilities in all our practices and driving for faultless execution of client projects.

Financial key performance indicators

The relevant financial key performance indicators are revenue growth and free cash flow and its precursors, gross and net profit margin.

The strategic priority continues to be balanced growth from both existing and new clients. Country management teams in the UK and US are placing greater focus on winning new business with new clients. The India country management team has overseen a significant increase in capacity and billable work done in India, making the increased focus on new business in the UK and US possible, and increasing overall rate competitiveness.

This report was approved by the board on *16th April 2017* and signed on its behalf.


Mr T Jones
Director

Thorogood Associates Limited

Directors' report

For the year ended 30 September 2016

The directors present their report and the financial statements for the year ended 30 September 2016.

Principal activities

The company is a specialist IT professional services firm. It conceives, designs, builds and supports information management applications.

Results

The profit for the year, after taxation, amounted to £785,075 (2015 - £478,811).

Directors

The directors who served during the year were:

Mr P Balacky
Ms P J Honigsberger
Mr T Jones
Mr P W Nicol

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Thorogood Associates Limited

Directors' report (continued)

For the year ended 30 September 2016

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 and the Group'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 and the Group's auditor is aware of that information.

Post balance sheet events

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

Auditor

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

This report was approved by the board on *11th April 2017* and signed on its behalf.



Mr T Jones
Director

Independent auditor's report to the shareholders of Thorogood Associates Limited

We have audited the financial statements of Thorogood Associates Limited for the year ended 30 September 2016, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 30 September 2016 and of the Group's profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.



Independent auditor's report to the shareholders of Thorogood Associates Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

G + M v up

Nicholas Page (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

London

Date:

11/4/17

Thorogood Associates Limited

Consolidated statement of comprehensive income

For the year ended 30 September 2016

	Note	2016 £	2015 £
Turnover	4	13,659,840	12,238,245
Cost of sales		(7,249,986)	(6,285,324)
Gross profit		6,409,854	5,952,921
Administrative expenses		(5,214,581)	(5,082,853)
Operating profit	5	1,195,273	870,068
Interest receivable and similar income		939	522
Interest payable and expenses	8	(4,861)	(4,907)
Profit before taxation		1,191,351	865,683
Tax on profit	9	(406,276)	(386,872)
Profit for the year		785,075	478,811
Foreign exchange movement		365,322	82,422
Other comprehensive income for the year		365,322	82,422
Total comprehensive income for the year		1,150,397	561,233

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

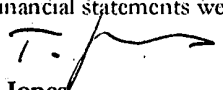
The notes on pages 14 to 30 form part of these financial statements.

Consolidated statement of financial position

As at 30 September 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	1,006,462	1,133,030
		<u>1,006,462</u>	<u>1,133,030</u>
Current assets			
Debtors: amounts falling due within one year	14	4,961,767	4,021,031
Cash at bank and in hand	15	1,217,208	1,095,665
		<u>6,178,975</u>	<u>5,116,696</u>
Creditors: amounts falling due within one year	16	(2,837,303)	(2,618,469)
Net current assets		<u>3,341,672</u>	<u>2,498,227</u>
Total assets less current liabilities		<u>4,348,134</u>	<u>3,631,257</u>
Creditors: amounts falling due after more than one year	17	(143,450)	(235,651)
Provisions for liabilities			
Deferred taxation	18	(43,386)	(73,705)
		<u>(43,386)</u>	<u>(73,705)</u>
Net assets		<u><u>4,161,298</u></u>	<u><u>3,321,901</u></u>
Capital and reserves			
Called up share capital	19	40,363	40,363
Share premium account	20	275,225	275,225
Capital redemption reserve	20	27,299	27,299
Foreign exchange reserve	20	284,548	(80,774)
Profit and loss account	20	3,533,863	3,059,788
Equity attributable to owners of the parent Company		<u><u>4,161,298</u></u>	<u><u>3,321,901</u></u>

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


Mr T Jones
Director

11th April 2017

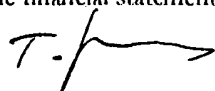
The notes on pages 14 to 30 form part of these financial statements:

Company statement of financial position

As at 30 September 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	311,572	437,028
Investments	12	241,252	241,252
		<u>552,824</u>	<u>678,280</u>
Current assets			
Debtors: amounts falling due within one year	14	3,707,138	3,072,008
Cash at bank and in hand	15	613,897	229,510
		<u>4,321,035</u>	<u>3,301,518</u>
Creditors: amounts falling due within one year	16	(3,210,323)	(2,491,339)
Net current assets		<u>1,110,712</u>	<u>810,179</u>
Total assets less current liabilities		<u>1,663,536</u>	<u>1,488,459</u>
Creditors: amounts falling due after more than one year	17	-	(75,000)
Provisions for liabilities			
Deferred taxation	18	(31,231)	(56,107)
		<u>(31,231)</u>	<u>(56,107)</u>
Net assets		<u><u>1,632,305</u></u>	<u><u>1,357,352</u></u>
Capital and reserves			
Called up share capital	19	40,363	40,363
Share premium account	20	275,225	275,225
Capital redemption reserve	20	27,299	27,299
Profit and loss account	20	1,289,418	1,014,465
		<u>1,632,305</u>	<u>1,357,352</u>

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


 Mr T Jones
 Director

11th April 2017

Thorogood Associates Limited

Consolidated statement of changes in equity

For the year ended 30 September 2016

	Called up share capital	Share premium account	Capital redemption reserve	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 October 2015	40,363	275,225	27,299	(80,774)	3,059,788	3,321,901
Comprehensive income for the year						
Profit for the year	-	-	-	-	785,075	785,075
Foreign exchange movement	-	-	-	365,322	-	365,322
Other comprehensive income for the year	-	-	-	365,322	-	365,322
Total comprehensive income for the year	-	-	-	365,322	785,075	1,150,397
Dividends: Equity capital	-	-	-	-	(311,000)	(311,000)
At 30 September 2016	40,363	275,225	27,299	284,548	3,533,863	4,161,298

Thorogood Associates Limited

Consolidated statement of changes in equity

For the year ended 30 September 2015

	Called up share capital	Share premium account	Capital redemption reserve	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 October 2014	40,363	275,225	27,299	(163,196)	3,180,977	3,360,668
Comprehensive income for the year						
Profit for the year	-	-	-	-	478,811	478,811
Foreign exchange movement	-	-	-	82,422	-	82,422
Other comprehensive income for the year	-	-	-	82,422	-	82,422
Total comprehensive income for the year	-	-	-	82,422	478,811	561,233
Dividends: Equity capital	-	-	-	-	(600,000)	(600,000)
At 30 September 2015	40,363	275,225	27,299	(80,774)	3,059,788	3,321,901

The notes on pages 14 to 30 form part of these financial statements.

Company statement of changes in equity

For the year ended 30 September 2016

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2015	40,363	275,225	27,299	1,014,465	1,357,352
Comprehensive income for the year					
Profit for the year	-	-	-	585,953	585,953
Total comprehensive income for the year	-	-	-	585,953	585,953
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(311,000)	(311,000)
At 30 September 2016	40,363	275,225	27,299	1,289,418	1,632,305

Thorogood Associates Limited

Company statement of changes in equity

For the year ended 30 September 2015

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2014	40,363	275,225	27,299	1,778,300	2,121,187
Comprehensive income for the year					
Loss for the year	-	-	-	(163,835)	(163,835)
Total comprehensive income for the year	-	-	-	(163,835)	(163,835)
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(600,000)	(600,000)
At 30 September 2015	<u>40,363</u>	<u>275,225</u>	<u>27,299</u>	<u>1,014,465</u>	<u>1,357,352</u>

The notes on pages 14 to 30 form part of these financial statements.

Thorogood Associates Limited

Consolidated statement of cash flows

For the year ended 30 September 2016

	2016	2015
	£	£
Cash flows from operating activities		
Profit for the financial year	785,075	478,811
Adjustments for:		
Depreciation of tangible assets	540,142	372,713
Interest paid	4,861	4,907
Interest received	(939)	(522)
Taxation	406,276	386,871
(Increase) in debtors	(762,104)	(355,752)
Increase in creditors	256,159	463,667
Corporation tax	(609,202)	(279,083)
Foreign exchange	365,322	82,422
Net cash generated from operating activities	<u>985,590</u>	<u>1,154,034</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(413,573)	(541,419)
Interest received	939	522
Net cash from investing activities	<u>(412,634)</u>	<u>(540,897)</u>
Cash flows from financing activities		
New secured loans	-	100,814
Repayment of loans	(109,547)	-
Repayment of/new finance leases	(26,005)	13,282
Dividends paid	(311,000)	(600,000)
Interest paid	(4,861)	(4,907)
Net cash used in financing activities	<u>(451,413)</u>	<u>(490,811)</u>
Net increase in cash and cash equivalents	<u>121,543</u>	<u>122,326</u>
Cash and cash equivalents at beginning of year	<u>1,095,665</u>	<u>973,339</u>
Cash and cash equivalents at the end of year	<u><u>1,217,208</u></u>	<u><u>1,095,665</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>1,217,208</u>	<u>1,095,665</u>
	<u><u>1,217,208</u></u>	<u><u>1,095,665</u></u>

Notes to the financial statements

For the year ended 30 September 2016

1. General information.

Thorogood Associates Limited is a private company limited by shares, registered and incorporated in England. The company's registered office is 2nd Floor, International House, 7 High Street, London, W5 5DB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2014.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the future funding requirements of the business, and based on management forecasts have concluded that the Company will have sufficient funds to ensure that it can meet its financial liabilities as and when they fall due, for a period of at least 12 months from the date of approval of these financial statements.

2.4 Revenue

Revenue is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts, in respect of activities on behalf of customers and clients provided during the year.

Notes to the financial statements

For the year ended 30 September 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 5 years
Equipment and fittings	- 5 years
Computers	- 4 years

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 Consolidated statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.9 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 Consolidated statement of comprehensive income.

Notes to the financial statements

For the year ended 30 September 2016

2. Accounting policies (continued)

2.10 Invoice discounting

Amounts due in respect of invoice discounting are disclosed as current liabilities. The Group can use the invoice discounting facilities to draw down an advance based on a percentage of the value of sales invoices, as agreed with the discounting provider, subject to an overall borrowing limit. The management and collection of debtors remain with the Group.

2.11 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.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 Finance costs

Finance costs are charged to the Consolidated 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.

Notes to the financial statements

For the year ended 30 September 2016

2. Accounting policies (continued)

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.16 Leased assets

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income 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 Group in independently administered funds.

2.18 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

Notes to the financial statements

For the year ended 30 September 2016

2. Accounting policies (continued)

2.19 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 reporting date in the countries where the Company and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

Notes to the financial statements

For the year ended 30 September 2016

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

There are no material judgments or estimates in preparation of these financial statements.

4. Turnover

Overseas turnover amounted to 29.0% (2015: 29.3%) of group turnover for the year.

5. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets - owned by the group	537,336	368,574
Depreciation of tangible fixed assets - held under finance leases	2,806	4,140
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	31,375	29,500
Other operating lease rentals	711,953	556,815
Foreign exchange loss	127,554	90,896
Employer pension contributions	235,600	238,000
	<u>2,386,124</u>	<u>1,696,725</u>

6. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	7,700,463	6,747,483
Social security costs	390,598	396,281
Other pension costs	235,604	204,640
	<u>8,326,665</u>	<u>7,348,404</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
Directors	4	4
Administration	206	182
	<u>210</u>	<u>186</u>

Notes to the financial statements

For the year ended 30 September 2016

7. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	504,221	572,248
Company contributions to defined contribution pension schemes	34,199	45,523
	<u>538,420</u>	<u>617,771</u>

During the year retirement benefits were accruing to 3 directors (2015 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £315,300 (2015 - £274,478).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,180 (2015 - £11,708).

Under FRS102, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The directors are considered to be key management.

8. Interest payable

	2016	2015
	£	£
Bank loans	4,861	4,907
	<u>4,861</u>	<u>4,907</u>

Notes to the financial statements

For the year ended 30 September 2016

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	166,853	(20,165)
Adjustments in respect of previous periods	1,157	-
	<u>168,010</u>	<u>(20,165)</u>
Foreign tax		
Foreign tax on income for the year	276,268	412,642
Total current tax	<u>444,278</u>	<u>392,477</u>
Deferred tax		
Origination and reversal of timing differences	(38,002)	(5,605)
Total deferred tax	<u>(38,002)</u>	<u>(5,605)</u>
Taxation on profit on ordinary activities	<u>406,276</u>	<u>386,872</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.5%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,191,351</u>	<u>865,683</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.5%)	238,270	186,812
Effects of:		
Capital allowances for year in excess of depreciation	-	23,539
Utilisation of tax losses	-	(1,821)
Adjustments to tax charge in respect of prior periods	717	61,194
Other timing differences leading to an increase (decrease) in taxation	40,382	(5,605)
Effect of foreign tax rates	124,795	122,162
Non deductible expenses	2,112	591
Total tax charge for the year	<u>406,276</u>	<u>386,872</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the financial statements

For the year ended 30 September 2016

10. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £585,953 (2015 - loss £163,835).

11. Tangible fixed assets

Group

	Computers £	Equipment and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 October 2015	895,207	1,445,162	1,192	2,341,561
Additions	283,169	130,404	-	413,573
At 30 September 2016	<u>1,178,376</u>	<u>1,575,566</u>	<u>1,192</u>	<u>2,755,134</u>
Depreciation				
At 1 October 2015	606,688	600,711	1,132	1,208,531
Charge for the period on owned assets	236,416	303,666	60	540,142
At 30 September 2016	<u>843,104</u>	<u>904,377</u>	<u>1,192</u>	<u>1,748,673</u>
Net book value				
At 30 September 2016	<u>335,272</u>	<u>671,189</u>	<u>-</u>	<u>1,006,461</u>
At 30 September 2015	<u>288,519</u>	<u>844,451</u>	<u>60</u>	<u>1,133,030</u>

The net book value of assets held under finance leases or hire purchase contracts, included above are as follows:

Equipment and fittings - £56,127 (2015 - £82,807)

Thorogood Associates Limited

Notes to the financial statements

For the year ended 30 September 2016

11. Tangible fixed assets (continued)

Company

	Computers £	Equipment and fittings £	Total £
Cost or valuation			
At 1 October 2015	351,368	766,114	1,117,482
Additions	17,512	5,246	22,758
At 30 September 2016	<u>368,880</u>	<u>771,360</u>	<u>1,140,240</u>
Depreciation			
At 1 October 2015	298,886	381,568	680,454
Charge for the period on owned assets	30,884	117,330	148,214
At 30 September 2016	<u>329,770</u>	<u>498,898</u>	<u>828,668</u>
Net book value			
At 30 September 2016	<u>39,110</u>	<u>272,462</u>	<u>311,572</u>
At 30 September 2015	<u>52,482</u>	<u>384,546</u>	<u>437,028</u>

The net book value of assets held under finance leases or hire purchase contracts, included above are as follows:

Equipment and fittings - £9,277 (2015 - £28,774)

Thorogood Associates Limited

Notes to the financial statements

For the year ended 30 September 2016

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2015	241,252
At 30 September 2016	<u>241,252</u>
Net book value	
At 30 September 2016	<u>241,252</u>
At 30 September 2015	<u>241,252</u>

13. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Thorogood Associates Inc	USA	Ordinary	100%	Specialist IT services
Thorogood Associates India PVT Limited	India	Ordinary	100%	Specialist IT services
Thorogood Associates Pty Limited	Australia	Ordinary	100%	Dormant

Notes to the financial statements

For the year ended 30 September 2016

14. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	3,623,711	2,787,084	3,307,212	2,471,801
Amounts owed by group undertakings	-	-	3,146	-
Director loan account	-	201,903	-	201,903
Other debtors	1,139,260	1,011,879	396,780	378,139
Tax recoverable	198,796	20,165	-	20,165
	<u>4,961,767</u>	<u>4,021,031</u>	<u>3,707,138</u>	<u>3,072,008</u>

Included within other debtors due within one year is a loan to Mr T Jones, a director, amounting to £Nil (2015 - £201,903). Amounts repaid during the year totalled £206,283 including interest at a rate of 3.15%..

15. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	1,217,208	1,095,665	613,897	229,510
	<u>1,217,208</u>	<u>1,095,665</u>	<u>613,897</u>	<u>229,510</u>

Notes to the financial statements

For the year ended 30 September 2016

16. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	122,817	140,163	75,000	100,000
Net obligations under finance leases and hire purchase contracts	34,098	60,103	-	6,278
Trade creditors	300,699	155,082	254,468	367,296
Amounts owed to group undertakings	-	-	1,043,541	391,824
Corporation tax	166,853	160,829	166,853	-
Other taxation and social security	629,794	505,050	600,935	482,800
Other creditors	1,583,042	1,597,242	1,069,526	1,143,141
	<u>2,837,303</u>	<u>2,618,469</u>	<u>3,210,323</u>	<u>2,491,339</u>

The bank loans are secured by a fixed and floating charge over the assets of the company.

The UK loan is repayable over 3 years in equal instalments, with the final repayment due in June 2017, and has an interest charge of the base rate of the Bank of England plus 2.5%.

The US loan is repayable over 5 years in equal instalments, with the final repayment due in September 2020, and has an interest charge of the US Prime rate plus 1.0%.

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	143,450	235,651	-	75,000
	<u>143,450</u>	<u>235,651</u>	<u>-</u>	<u>75,000</u>

Notes to the financial statements

For the year ended 30 September 2016

18. Deferred taxation

Group

	2016 £
At beginning of year	(73,705)
Charged to profit or loss	30,319
At end of year	(43,386)

Company

	2016 £
At beginning of year	(56,107)
Charged to profit or loss	24,876
At end of year	(31,231)

	Group 2016 £	Company 2016 £
Accelerated capital allowances	(46,547)	(34,392)
Other timing differences	3,161	3,161
	(43,386)	(31,231)

Thorogood Associates Limited

Notes to the financial statements

For the year ended 30 September 2016

19. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
40,363 Ordinary shares of £1 each	<u>40,363</u>	<u>40,363</u>

20. Reserves

Share premium

Includes only premiums received on issue of share capital. Any transaction costs associated with issuing of shares are deducted from share premium.

Capital redemption reserve

Includes amounts transferred following the redemption of the Company's own shares.

Foreign exchange reserve

Includes foreign exchange differences arising from the consolidation of the group entities.

Profit and loss account

Includes all current and prior period retained profit and losses.

21. Dividends

	2016	2015
	£	£
Dividends paid on equity capital	<u>311,000</u>	600,000
	<u>311,000</u>	<u>600,000</u>

22. Contingent liabilities

There were no contingent liabilities at 30 September 2016 or 30 September 2015.

23. Capital commitments

The group had no capital commitments at 30 September 2016 or 30 September 2015.

Notes to the financial statements

For the year ended 30 September 2016

24. Commitments under operating leases

At 30 September 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Not later than 1 year	649,302	607,187	248,834	248,834
Later than 1 year and not later than 5 years	1,741,484	1,904,903	906,014	906,014
Later than 5 years	1,265,744	1,614,829	518,403	767,237
	<u>3,656,530</u>	<u>4,126,919</u>	<u>1,673,251</u>	<u>1,922,085</u>
	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Not later than 1 year	42,997	49,969	15,377	22,015
Later than 1 year and not later than 5 years	36,189	44,763	12,874	15,175
	<u>79,186</u>	<u>94,732</u>	<u>28,251</u>	<u>37,190</u>

25. Related party transactions

The company has taken advantage of the exemptions offered by FRS 102 to not disclose transactions with wholly owned group companies.

Included within other debtors due within one year is a loan to Mr T Jones, a director, amounting to £Nil (2015 - £201,903). The loan attracted interest at a rate of 3.15% and was repaid in the year.

The following Directors received dividends during the year:

	2016 £	2015 £
Mr P Balacky	11,558	22,298
Ms P J Honigsberger	30,820	59,460
Mr T Jones	177,972	354,354
Mr P W Nicol	69,346	133,786
	<u>290,700</u>	<u>670,900</u>

26. Controlling party

In the opinion of the directors, Mr T Jones is the company's ultimate controlling party by virtue of his majority shareholding in the company.

Thorogood Associates Limited

Notes to the financial statements

For the year ended 30 September 2016

27. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.