

Registered number: 02149616

THOROGOOD ASSOCIATES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018



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 & Senior Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	HSBC Bank plc 1 Corn 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 2018

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 a Singapore branch office and three wholly-owned subsidiaries; Thorogood Associates Inc. in the USA (established in 2002), Thorogood Associates India Private Limited in India (established in 2004) and Thorogood Associates (Brazil) – Business Intelligence and Analytics Consultancy LTDA. 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 year ended 30 September 2018 saw a recovery in profits and continued investments in cloud technologies, the development of intellectual property as a means of increasing profitability and marketing distinctiveness, and in the development of presence in Singapore and Brazil.

Our ability to execute business intelligence and analytics projects is positively differentiated from those of our competitors. The significance of cloud computing for our business continued to increase rapidly and we will continue to make increased investments in relevant capability areas and in marketing.

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. In this way the Group is able to offer its customers a high-value added service.

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 is focused on developing capability in sales, business focus, and client management as well technical skills.

Risk and uncertainties

Financial Pressures and uncertainty

The Group depends on the overall demand for IT and Business Intelligence and Analytics services and on the economic health of its customers. Financial downturns, unstable market conditions and uncertainty may cause the Group's customers to decrease or defer their IT budgets which could reduce spend and adversely impact the Group's business, operating results and financial condition. The renewal of contracts in a timely manner is uncertain and based on the financial and performance criteria.

The Group has been expanding its geographical reach to enter new countries to mitigate individual contract risks but economic downturns, unstable market conditions or slower than expected progress could impact on the overall Company results.

Legislative risk

The Group operates in multiples jurisdictions including the USA, India, Singapore, Brazil, the UK and the rest of Europe and the future performance of the business could be affected by changes made to local legislation.

THOROGOOD ASSOCIATES LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

Risk and uncertainties (continued)

Operational risk

The Group's client base consists of very large companies who expect and demand strong results. We do not have exclusive relationships with these companies and hence the loss of major customers could significantly harm our business, operating results and financial condition.

Foreign exchange risk

The Group transacts in many different currencies including US Dollars, British Pound, the Euro, the Indian Rupee, Singapore Dollar and Brazilian Real. Given the Group's aim to increase its international business we expect the number of transactions in foreign currencies to increase. Foreign exchange risk for the Group is monitored by the ultimate parent company.

The Group has established a global and country management structure to protect the Group from events that hinder the achievement of the Group's performance objectives. The Board meet with the management teams on a regular basis to help review, monitor and mitigate the risks facing the Group.

This report was approved by the board on 11th February 2019 and signed on its behalf.



Mr T Jones
Director

THOROGOOD ASSOCIATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their report and the financial statements for the year ended 30 September 2018.

Principal activities

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

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The profit for the year, after taxation, amounted to £1,023,641 (2017 - loss £243,148).

Dividends paid in the year amount to £nil (2017: £480,000).

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.

THOROGOOD ASSOCIATES LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

Directors

The directors who served during the year were:

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

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves 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 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 February 2019* and signed on its behalf.



Mr T Jones
Director



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THOROGOOD ASSOCIATES LIMITED

Opinion

We have audited the financial statements of Thorogood Associates Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2018, 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, 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 Financial Reporting Standard 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 Group's and of the parent Company's affairs as at 30 September 2018 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.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 SHAREHOLDERS OF THOROGOOD ASSOCIATES
LIMITED (CONTINUED)**

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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

Matters on which we are required to report by exception

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 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.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THOROGOOD ASSOCIATES
LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 3, 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 Group's and the parent 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 the directors either intend to liquidate the Group or the parent 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.

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. This description forms part of our Auditor's report.

Who we are reporting to

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.

Grant Thornton UK LLP

Anthony Thomas (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
London Finsbury

Date: *11 February 2019*

THOROGOOD ASSOCIATES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	12,564,550	12,252,898
Cost of sales		(5,985,279)	(6,791,013)
Gross profit		6,579,271	5,461,885
Administrative expenses		(5,195,388)	(5,410,253)
Operating profit	5	1,383,883	51,632
Interest receivable and similar income		1,126	563
Interest payable and expenses	8	(23,206)	(3,406)
Profit before taxation		1,361,803	48,789
Tax on profit	9	(338,162)	(291,937)
Profit/(loss) for the financial year		1,023,641	(243,148)
Foreign exchange movement		(189,623)	100,252
Other comprehensive income for the year		(189,623)	100,252
Total comprehensive income for the year		834,018	(142,896)

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

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

THOROGOOD ASSOCIATES LIMITED
REGISTERED NUMBER:02149616

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	443,005	720,288
		<u>443,005</u>	<u>720,288</u>
Current assets			
Debtors: amounts falling due within one year	14	4,277,666	4,674,252
Cash at bank and in hand	15	1,721,806	294,230
		<u>5,999,472</u>	<u>4,968,482</u>
Creditors: amounts falling due within one year	16	(2,070,057)	(2,023,064)
Net current assets		<u>3,929,415</u>	<u>2,945,418</u>
Total assets less current liabilities		<u>4,372,420</u>	<u>3,665,706</u>
Creditors: amounts falling due after more than one year	17	-	(92,823)
Provisions for liabilities			
Deferred taxation	18	-	(34,481)
		<u>-</u>	<u>(34,481)</u>
Net assets		<u><u>4,372,420</u></u>	<u><u>3,538,402</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	195,177	384,800
Profit and loss account	20	3,834,356	2,810,715
Equity attributable to owners of the parent Company		<u><u>4,372,420</u></u>	<u><u>3,538,402</u></u>

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



Mr T Jones
 Director

Date: 11th February 2019

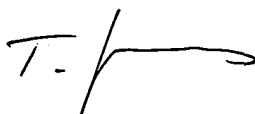
The notes on pages 14 to 30 form part of these financial statements.

THOROGOOD ASSOCIATES LIMITED
REGISTERED NUMBER:02149616

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	99,840	199,154
Investments	12	244,648	244,398
		344,488	443,552
Current assets			
Debtors: amounts falling due within one year	14	4,268,113	3,845,982
Cash at bank and in hand	15	365,284	129,914
		4,633,397	3,975,896
Creditors: amounts falling due within one year	16	(2,657,524)	(3,093,566)
		1,975,873	882,330
Net current assets		1,975,873	882,330
Total assets less current liabilities		2,320,361	1,325,882
Provisions for liabilities			
Deferred taxation	18	(2,379)	(15,565)
		(2,379)	(15,565)
Net assets		2,317,982	1,310,317
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	17,656	2,578
Profit and loss account	20	1,957,439	964,852
		2,317,982	1,310,317

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



Mr T Jones
 Director

Date: 11th February 2019

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

THOROGOOD ASSOCIATES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 October 2017	40,363	275,225	27,299	384,800	2,810,715	3,538,402
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,023,641	1,023,641
Foreign exchange movement	-	-	-	(189,623)	-	(189,623)
Total comprehensive income for the year	-	-	-	(189,623)	1,023,641	834,018
At 30 September 2018	40,363	275,225	27,299	195,177	3,834,356	4,372,420

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 October 2016	40,363	275,225	27,299	284,548	3,533,863	4,161,298
Comprehensive income for the year						
Loss for the year	-	-	-	-	(243,148)	(243,148)
Foreign exchange movement	-	-	-	100,252	-	100,252
Total comprehensive income for the year	-	-	-	100,252	(243,148)	(142,896)
Dividends: Equity capital	-	-	-	-	(480,000)	(480,000)
At 30 September 2017	40,363	275,225	27,299	384,800	2,810,715	3,538,402

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

THOROGOOD ASSOCIATES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 October 2017	40,363	275,225	27,299	2,578	964,852	1,310,317
Comprehensive income for the year						
Profit for the year	-	-	-	-	992,587	992,587
Foreign exchange movement	-	-	-	15,078	-	15,078
Total comprehensive income for the year	-	-	-	15,078	992,587	1,007,665
At 30 September 2018	40,363	275,225	27,299	17,656	1,957,439	2,317,982

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 2017**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 October 2016	40,363	275,225	27,299	-	1,289,418	1,632,305
Comprehensive income for the year						
Profit for the year	-	-	-	-	155,434	155,434
Foreign exchange movement	-	-	-	2,578	-	2,578
Total comprehensive income for the year	-	-	-	2,578	155,434	158,012
Dividends: Equity capital	-	-	-	-	(480,000)	(480,000)
At 30 September 2017	40,363	275,225	27,299	2,578	964,852	1,310,317

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 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit/(loss) for the financial year	1,023,641	(243,148)
Adjustments for:		
Depreciation of tangible assets	367,737	528,695
Interest paid	23,206	3,406
Interest received	(1,126)	(563)
Taxation charge	338,162	(91,055)
Decrease in debtors	204,150	280,212
(Decrease) in creditors	(168,581)	(626,352)
Foreign exchange	(189,623)	98,650
Net cash generated from operating activities	1,597,566	(50,155)
Cash flows from investing activities		
Purchase of tangible fixed assets	(90,454)	(242,521)
Interest received	1,126	563
Net cash from investing activities	(89,328)	(241,958)
Cash flows from financing activities		
Repayment of loans	(43,783)	(127,034)
Repayment of/new finance leases	(13,673)	(20,425)
Dividends paid	-	(480,000)
Interest paid	(23,206)	(3,406)
Net cash used in financing activities	(80,662)	(630,865)
Net increase/(decrease) in cash and cash equivalents	1,427,576	(922,978)
Cash and cash equivalents at beginning of year	294,230	1,217,208
Cash and cash equivalents at the end of year	1,721,806	294,230
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,721,806	294,230

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

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 unless otherwise specified within these accounting policies 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.

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 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 following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company 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.

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. Revenue is recognised as time is worked.

THOROGOOD ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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 instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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.

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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.

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.

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.

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

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 2016 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 contracts 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.

2.19 Borrowing costs

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

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

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.

THOROGOOD ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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 23.3% (2017: 16.2%) of group turnover for the year.

5. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets - owned by the group	367,737	528,695
Depreciation of tangible fixed assets - held under finance leases	13,082	-
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	36,050	29,175
Non audit services - accounts preparation	2,780	2,115
Non audit services - tax	31,062	55,490
Other operating lease rentals	812,373	700,000
Foreign exchange loss	189,623	122,521
Employer pension contributions	252,347	297,952

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

6. Staff costs

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

	Group 2018 £	Group 2017 £
Wages and salaries	6,150,821	7,078,464
Social security costs	623,481	991,699
Cost of defined contribution scheme	252,347	297,952
	<u>7,026,649</u>	<u>8,368,115</u>

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

	2018 No.	2017 No.
Directors	4	3
Administration	183	224
	<u>187</u>	<u>227</u>

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	579,736	412,000
Company contributions to defined contribution pension schemes	10,996	20,760
	<u>590,732</u>	<u>432,760</u>

During the year retirement benefits were accruing to 3 directors (2017 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £303,321 (2017 - £246,633).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £14,801 (2017 - £12,364).

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.

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

8. Interest payable

	2018 £	2017 £
Bank loans	23,206	3,406
	<u>23,206</u>	<u>3,406</u>

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	134,407	75,798
Adjustments in respect of previous periods	(6,626)	(95)
	<u>127,781</u>	<u>75,703</u>
Foreign tax		
Foreign tax on income for the year	275,131	230,682
	<u>402,912</u>	<u>306,385</u>
Deferred tax		
Origination and reversal of timing differences	(38,769)	(14,448)
Adjustments in respect of previous periods	(25,981)	-
	<u>(64,750)</u>	<u>(14,448)</u>
Taxation on profit on ordinary activities	<u>338,162</u>	<u>291,937</u>

THOROGOOD ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19.0% (2017 - 19.5%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,361,803</u>	<u>48,789</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 - 19.5%)	258,743	9,514
Effects of:		
Adjustment in deferred tax closing rate	(280)	-
Adjustment in deferred tax opening rate	1,770	-
Income not taxable for tax purposes	23,214	-
Exempt ABGH distributions	(91,296)	-
Adjustments to tax charge in respect of prior periods - deferred tax	(521)	-
Adjustments to tax charge in respect of prior periods	(32,086)	(95)
Other timing differences leading to an increase (decrease) in taxation	-	2,302
Effect of foreign tax rates	120,139	106,357
Non deductible expenses	59,748	7,043
Unrecognised deferred tax	-	165,267
Fixed asset differences	1,247	1,549
Other differences leading to an increase (decrease) in the tax charge	(2,516)	-
Total tax charge for the year	<u><u>338,162</u></u>	<u><u>291,937</u></u>

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 £992,587 (2017 - £155,434).

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

11. Tangible fixed assets

Group

	Computers £	Equipment and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 October 2017	1,420,897	1,575,566	1,192	2,997,655
Additions	81,696	8,758	-	90,454
At 30 September 2018	<u>1,502,593</u>	<u>1,584,324</u>	<u>1,192</u>	<u>3,088,109</u>
Depreciation				
At 1 October 2017	1,066,051	1,210,125	1,192	2,277,368
Charge for the year on owned assets	136,179	231,557	-	367,736
At 30 September 2018	<u>1,202,230</u>	<u>1,441,682</u>	<u>1,192</u>	<u>2,645,104</u>
Net book value				
At 30 September 2018	<u>300,363</u>	<u>142,642</u>	-	<u>443,005</u>
At 30 September 2017	<u>354,846</u>	<u>365,441</u>	-	<u>720,287</u>

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

Equipment and fittings - £33,673 (2017 - £44,900)

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

11. Tangible fixed assets (continued)

Company

	Computers £	Equipment and fittings £	Total £
Cost or valuation			
At 1 October 2017	386,430	771,360	1,157,790
Additions	17,593	794	18,387
At 30 September 2018	<u>404,023</u>	<u>772,154</u>	<u>1,176,177</u>
Depreciation			
At 1 October 2017	352,717	605,919	958,636
Charge for the year on owned assets	17,700	100,001	117,701
At 30 September 2018	<u>370,417</u>	<u>705,920</u>	<u>1,076,337</u>
Net book value			
At 30 September 2018	<u>33,606</u>	<u>66,234</u>	<u>99,840</u>
At 30 September 2017	<u>33,713</u>	<u>165,441</u>	<u>199,154</u>

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

Equipment and fittings - £5,563 (2017 - £7,420)

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2017	244,398
Additions	250
At 30 September 2018	<u>244,648</u>
Net book value	
At 30 September 2018	<u>244,648</u>
At 30 September 2017	<u><u>244,398</u></u>

THOROGOOD ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

13. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Direct subsidiary undertakings

Name	Class of shares	Holding	Principal activity
Thorogood Associates Inc	Ordinary	100 %	Specialist IT services
Thorogood Associates India PVT Limited	Ordinary	100 %	Specialist IT services
Thorogood Associates (Australia) PTY Limited	Ordinary	100 %	Dormant
Thorogood Associates (Brazil) - Business Intelligence and Analytics Consultancy Limitada	Ordinary	100 %	Specialist IT services

Name	Registered office
Thorogood Associates Inc	101 Hudson Street, 21st Floor - Suite 2101, Jersey City, NJ 07302
Thorogood Associates India PVT Limited	ACR Towers, 2nd Floor, 32 Residency Road Bangalore, 560 025
Thorogood Associates (Australia) PTY Limited	Level 17, 383 Kent Street, Sydney, NSW 2000
Thorogood Associates (Brazil) - Business Intelligence and Analytics Consultancy Limitada	Av Bernardino de Campos, 98 3rd Floor, Suite 48, Paraiso, Sao Paulo, 04004-040

14. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	3,081,444	3,439,426	2,493,025	2,732,790
Amounts owed by group undertakings	-	-	1,246,870	711,512
Other debtors	1,098,100	1,043,333	528,218	401,680
Tax recoverable	67,853	191,493	-	-
Deferred taxation (see note 18)	30,269	-	-	-
	<u>4,277,666</u>	<u>4,674,252</u>	<u>4,268,113</u>	<u>3,845,982</u>

THOROGOOD ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

15. Cash and cash equivalents

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Cash at bank and in hand	1,721,806	294,230	365,284	129,914
	<u>1,721,806</u>	<u>294,230</u>	<u>365,284</u>	<u>129,914</u>

16. Creditors: Amounts falling due within one year

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Bank loans	-	46,410	-	-
Net obligations under finance lease and hire purchase contracts	95,450	13,673	-	-
Trade creditors	213,224	189,448	233,146	352,656
Amounts owed to group undertakings	-	-	1,015,744	1,334,086
Corporation tax	244,032	75,798	134,407	75,798
Other taxation and social security	393,113	587,302	536,452	557,413
Other creditors	1,124,238	1,110,433	737,775	773,613
	<u>2,070,057</u>	<u>2,023,064</u>	<u>2,657,524</u>	<u>3,093,566</u>

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

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 2018 £	<i>Group 2017 £</i>
Bank loans	-	92,823
	<u>-</u>	<u>92,823</u>

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the balance sheet date.

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

18. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	(34,481)	(43,386)
Charged to profit or loss	39,290	8,905
Adjustment in respect of prior periods	25,460	-
At end of year	30,269	(34,481)

Company

	2018 £	2017 £
At beginning of year	(15,565)	(31,231)
Charged to profit or loss	13,186	15,666
At end of year	(2,379)	(15,565)

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accelerated capital allowances	27,017	(38,309)	(5,631)	(19,393)
Other timing differences	3,252	3,828	3,252	3,828
	30,269	(34,481)	(2,379)	(15,565)

THOROGOOD ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

19. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
40,363 (2017 - 40,363) Ordinary shares of £1.00 each	<u>40,363</u>	<u>40,363</u>

20. Reserves

Share premium account

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

	2018 £	2017 £
Dividends paid on equity capital	-	480,000
	<u>-</u>	<u>480,000</u>

22. Contingent liabilities

There were no contingent liabilities at 30 September 2018 or 30 September 2017.

23. Capital commitments

The group had no capital commitments at 30 September 2018 or 30 September 2017.

THOROGOOD ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

24. Commitments under operating leases

At 30 September 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Land and buildings				
Not later than 1 year	657,973	696,974	159,513	248,834
Later than 1 year and not later than 5 years	2,883,140	1,786,175	995,334	906,014
Later than 5 years	461,832	943,734	20,736	269,570
	<u>4,002,945</u>	<u>3,426,883</u>	<u>1,175,583</u>	<u>1,424,418</u>
	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Other				
Not later than 1 year	15,645	33,937	11,360	8,152
Later than 1 year and not later than 5 years	23,424	6,168	14,855	4,722
	<u>39,069</u>	<u>40,105</u>	<u>26,215</u>	<u>12,874</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.

The following Directors received dividends during the year:

	2018 £	<i>2017 £</i>
Mr P Balacky	-	17,838
Ms P J Honigsberger	-	47,568
Mr T Jones	-	274,683
Mr P W Nicol	-	107,028
	<u>-</u>	<u>447,117</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.