Registration number: 04012805

KEEN THINKING LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

KEEN THINKING LIMITED

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KEEN THINKING LIMITED

COMPANY INFORMATION

Directors	T Atkinson D Thornhill
Company secretary	T Atkinson
Registered office	The Aspen Building Vantage Point Business Village Mitcheldean GL17 0DD
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

KEEN THINKING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their strategic report for the year ended 31 March 2018.

Fair review of the business
The directors consider the results for the year to be satisfactory.

The company has continued to improve its infrastructure with a view to increasing its market share. The directors are confident that their strategy will continue to give improved results for the future.

Key performance indicators

The group's key financial and other performance indicators during the year were as follows:

	Unit	2018	2017
Turnover	£'000	4,312.50	4,366.37
Gross profit margin	%	62.54	59.09
Net profit margin	%	2.18	3.05
Current assets as a percentage of current liabilities	%	113.31	109.41

Principal risks and uncertainties

The management of the company and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the general economic climate, and competition from other providers.

The company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

Going concern and liquidity risk

In accordance with Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2006' the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has sufficient financial resources available and is currently trading profitably and generating cash. The directors have prepared forecasts for the next 12 months that indicate that this trend will continue. The directors believe that the company has sufficient resources to continue in operational existance for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 24/8/18 and signed on its behalf by:

....

D Thornhill
Director

KEEN THINKING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the for the year ended 31 March 2018.

Directors of the company
The directors who held office during the year were as follows:

T Atkinson

D Thornhill

Future developments
The company has continued to improve its infrastructure with a view to increasing its market share. The directors are confident that their strategy will give improved results for the year ending 31 March 2019.

Research and development
The group undertakes an element of research and development in development of new software products.

Disclosure of information to the auditor
Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors
Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 24/8/18 and signed on its behalf by:

....
D Thornhill
Director

KEEN THINKING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEEN THINKING LIMITED

Opinion

We have audited the financial statements of Keen Thinking Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

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 31 March 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEEN THINKING LIMITED

Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our 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 Strategic Report and the Directors' Report.

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.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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.

....
Ryan Hancock (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 24/8/19

KEEN THINKING LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Note	Continuing operations 2018 £	Discontinued operations 2018 £	Total 2018 £	Continuing operations 2017 £	Discontinued operations 2017 £	Total 2017 £
Turnover	3	4,217,939	94,564	4,312,503	4,054,810	311,564	4,366,374
Cost of sales		(1,585,233)	(30,154)	(1,615,387)	(1,653,850)	(132,644)	(1,786,494)
Gross profit		2,632,706	64,410	2,697,116	2,400,960	178,920	2,579,880
Administrative expenses		(2,270,575)	(55,501)	(2,326,076)	(1,901,451)	(215,975)	(2,117,426)
Profit on disposal of operations		-	24,588	24,588	-	-	-
Operating profit/(loss)	4	362,131	33,497	395,628	499,509	(37,055)	462,454
Other interest receivable and similar income		-	-	-	-	(10,185)	(10,185)
Interest payable and similar expenses	5	(301,878)	-	(301,878)	(319,074)	-	(319,074)
		(301,878)	-	(301,878)	(319,074)	(10,185)	(329,259)
Profit/(loss) before tax		60,253	33,497	93,750	180,435	(47,240)	133,195
Taxation	7	74,721	-	74,721	3,881	-	3,881
Profit/(loss) for the financial year		134,974	33,497	168,471	184,316	(47,240)	137,076
Profit/(loss) attributable to:							
Owners of the company		134,974	22,945	157,919	184,316	(34,516)	149,800
Minority interests		-	10,552	10,552	-	(12,724)	(12,724)
		134,974	33,497	168,471	184,316	(47,240)	137,076

The group has no other comprehensive income for the year.

The notes on pages 13 to 25 form an integral part of these financial statements.

KEEN THINKING LIMITED

(REGISTRATION NUMBER: 04012805)
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	8	-	26,528
Tangible assets	9	46,195	60,649
Investment property	10	15,000	15,000
		61,195	102,177
Current assets			
Stocks	13	-	5,063
Debtors	14	15,690,704	19,493,987
Debtors: Amounts falling due after more than one year	14	52,727	76,881
Cash at bank and in hand	15	366,147	16,086
		16,109,578	19,592,017
Creditors: Amounts falling due within one year	16	(14,217,860)	(17,907,722)
Net current assets		1,891,718	1,684,295
Total assets less current liabilities		1,952,913	1,786,472
Provisions for liabilities	7	(7,151)	(9,181)
Net assets		1,945,762	1,777,291
Capital and reserves			
Called up share capital	19	200	200
Capital redemption reserve		167,500	167,500
Profit and loss account		1,778,062	1,620,143
Minority interests		-	(10,552)
Total equity		1,945,762	1,777,291

Approved and authorised by the Board on 24/5/18 and signed on its behalf by:

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D Thornhill
Director

KEEN THINKING LIMITED

(REGISTRATION NUMBER: 04012805)
BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	46,195	58,744
Investment property	10	15,000	15,000
Investments	11	-	26,000
		61,195	99,744
Current assets			
Debtors	14	15,690,704	19,497,891
Debtors: Amounts falling due after more than one year	14	52,727	76,881
Cash at bank and in hand	15	366,147	2,425
		16,109,578	19,577,197
Creditors: Amounts falling due within one year	16	(14,217,860)	(17,861,972)
Net current assets		1,891,718	1,715,225
Total assets less current liabilities		1,952,913	1,814,969
Provisions for liabilities	7	(7,151)	(9,181)
Net assets		1,945,762	1,805,788
Capital and reserves			
Called up share capital	19	200	200
Capital redemption reserve		167,500	167,500
Profit and loss account		1,778,062	1,638,088
Total equity		1,945,762	1,805,788

The company made a profit after tax for the financial year of £139,974 (2017 - profit of £186,663).

Approved and authorised by the Board on 26/8/18 and signed on its behalf by:

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D Thornhill
Director

The notes on pages 13 to 25 form an integral part of these financial statements.

KEEN THINKING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

	Share capital	Capital redemption reserve	Profit and loss account	Total	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 April 2016	200	167,500	1,470,343	1,638,043	2,172	1,640,215
Profit/(loss) for the year	-	-	149,800	149,800	(12,724)	137,076
At 31 March 2017	200	167,500	1,620,143	1,787,843	(10,552)	1,777,291

	Share capital	Capital redemption reserve	Profit and loss account	Total	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 April 2017	200	167,500	1,620,143	1,787,843	(10,552)	1,777,291
Profit for the year	-	-	157,919	157,919	10,552	168,471
At 31 March 2018	200	167,500	1,778,062	1,945,762	-	1,945,762

The notes on pages 13 to 25 form an integral part of these financial statements.

KEEN THINKING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Share capital	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£
At 1 April 2016	200	167,500	1,451,425	1,619,125
Profit for the year	-	-	186,663	186,663
At 31 March 2017	200	167,500	1,638,088	1,805,788

	Share capital	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£
At 1 April 2017	200	167,500	1,638,088	1,805,788
Profit for the year	-	-	139,974	139,974
At 31 March 2018	200	167,500	1,778,062	1,945,762

The notes on pages 13 to 25 form an integral part of these financial statements.

KEEN THINKING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the year		168,471	137,076
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	33,359	33,958
Finance income		-	10,185
Finance costs	5	301,878	319,074
Income tax expense	7	(74,721)	(3,881)
		428,987	496,412
Working capital adjustments			
Decrease in stocks	13	964	3,683
Decrease/(increase) in trade debtors	14	3,789,347	(3,268,266)
Increase in trade creditors	16	797,848	869,457
Cash generated from operations		5,017,146	(1,898,714)
Income taxes received/(paid)	7	32,582	(14,900)
Net cash flow from operating activities		5,049,728	(1,913,614)
Cash flows from investing activities			
Acquisitions of tangible assets		(20,239)	(25,374)
Proceeds from sale of intangible assets		31,000	-
Dividend income		-	(10,185)
Net cash flows from investing activities		10,761	(35,559)
Cash flows from financing activities			
Interest paid		(301,878)	(319,074)
Proceeds from other borrowing draw downs		(4,401,428)	2,126,930
Net cash flows from financing activities		(4,703,306)	1,807,856
Net increase/(decrease) in cash and cash equivalents		357,183	(141,317)
Cash and cash equivalents at 1 April		8,964	150,281
Cash and cash equivalents at 31 March		366,147	8,964

The notes on pages 13 to 25 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
The Aspen Building
Vantage Point Business Village
Mitcheldean
GL17 0DD

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation
These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2018.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern
After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Judgements
No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty
No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies..

Revenue recognition
Turnover represents commissions and fees receivable, net of value added tax, for the provision of finance and administration services.

Fee income represents revenue earned under a wide variety of administrative services and for the provision of finance. Revenue is recognised at the point where the services provided are processed and completed.

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets
Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% Straight-line basis

Investment property
Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Goodwill
Goodwill is amortised over its useful life, which shall not exceed five years if a reliable estimate of the useful life cannot be made.

Intangible assets
Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Amortisation
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line

Investments
Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Inventories
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification
Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2018 £	2017 £
Rendering of services	4,312,503	4,366,374

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

Arrived at after charging

	2018 £	2017 £
Depreciation expense	33,359	30,642
Amortisation expense	-	3,316
Operating lease expense - property	142,785	129,961
Auditor's remuneration	10,200	10,000

5 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and borrowings	301,878	319,074

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018 £	2017 £
Wages and salaries	1,276,107	1,292,450
Social security costs	121,097	132,044
Pension costs, defined contribution scheme	6,841	12,413
	1,404,045	1,436,907

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Administration and support	52	58

7 Taxation

Tax charged/(credited) in the profit and loss account

	2018 £	2017 £
Current taxation		
UK corporation tax	(7,249)	39,944
UK corporation tax adjustment to prior periods	(65,442)	(41,925)
	(72,691)	(1,981)
Deferred taxation		
Arising from origination and reversal of timing differences	(2,030)	(1,900)
Tax receipt in the income statement	(74,721)	(3,881)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 20%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	93,750	133,195
Corporation tax at standard rate	17,813	26,639
Effect of revenues exempt from taxation	(4,672)	(2,037)
Effect of expense not deductible in determining taxable profit (tax loss)	3,455	2,925
UK deferred tax (credit)/expense relating to changes in tax rates or laws	(1,875)	10,517
Decrease in UK and foreign current tax from adjustment for prior periods	(65,442)	(41,925)
Tax decrease from effect of adjustment in research and development tax credit	(24,000)	-
Total tax credit	(74,721)	(3,881)

Deferred tax

Group and company
Deferred tax assets and liabilities

2018	**Liability £**
Fixed asset timing differences	7,382
Short term timing differences	(231)
	7,151

2017	Liability £
Fixed asset timing differences	9,412
Short term timing differences	(231)
	9,181

8 Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2017	33,160
Disposals	(33,160)
At 31 March 2018	-
Amortisation	
At 1 April 2017	6,632
Amortisation eliminated on disposals	(6,632)
At 31 March 2018	-
Carrying amount	
At 31 March 2018	-
At 31 March 2017	26,528

9 Tangible assets

Group

	Furniture, fittings and equipment £
Cost	
At 1 April 2017	127,636
Additions	20,239
Disposals	(3,985)
At 31 March 2018	143,890
Depreciation	
At 1 April 2017	66,987
Charge for the year	33,359
Eliminated on disposal	(2,651)
At 31 March 2018	97,695
Carrying amount	
At 31 March 2018	46,195
At 31 March 2017	60,649

Company

	Furniture, fittings and equipment £
Cost	
At 1 April 2017	124,003
Additions	20,239
Disposals	(352)
At 31 March 2018	143,890
Depreciation	
At 1 April 2017	65,259
Charge for the year	32,788
Eliminated on disposal	(352)
At 31 March 2018	97,695
Carrying amount	
At 31 March 2018	46,195
At 31 March 2017	58,744

10 Investment properties

Group and company

	2018
	£
At 1 April 2017 and 31 March 2018	15,000

The investment properties have been valued at cost by the directors. This value is considered to be a fair reflection of the market value at 31 March 2018.

There has been no valuation of investment property by an independent valuer.

11 Investments

Company

	2018	2017
	£	£
Investments in subsidiaries	-	26,000

During the year, Keen Thinking Limited disposed of its interest within its subsidiary, Module IT.

12 Disposal of subsidiary

On 1 August 2017, the group disposed of its interest in Module IT Limited. The gain on disposal of Module IT Limited was £24,588. Module IT Limited contributed £8,909 to the group profit.

13 Stocks

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Stock	-	5,063	-	-

14 Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	-	38,028	-	-
Amounts owed by related parties	-	-	-	35,000
Other debtors	15,583,171	19,427,849	15,583,171	19,437,555
Prepayments	160,260	104,991	160,260	102,217
	15,743,431	19,570,868	15,743,431	19,574,772
Less non-current portion	(52,727)	(76,881)	(52,727)	(76,881)
Total current trade and other debtors	15,690,704	19,493,987	15,690,704	19,497,891

Details of non-current trade and other debtors

Group and company
£52,727 (2017 - £76,881) of Other debtors is classified as non-current.

15 Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank	366,147	16,086	366,147	2,425
Bank overdrafts	-	(7,122)	-	(5,851)
Cash and cash equivalents in statement of cash flows	366,147	8,964	366,147	(3,426)

16 Creditors

	Note	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Due within one year					
Loans and borrowings	17	9,119,672	13,528,222	9,119,672	13,526,951
Trade creditors		220,705	168,338	220,705	148,479
Social security and other taxes		145,711	205,877	145,711	188,477
Other creditors		4,555,948	3,885,452	4,555,948	3,885,452
Accrued expenses		175,824	79,724	175,824	77,222
Corporation tax liability	7	-	40,109	-	35,391
		14,217,860	17,907,722	14,217,860	17,861,972

17 Loans and borrowings

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Current loans and borrowings				
Bank overdrafts	-	7,122	-	5,851
Other borrowings	9,119,672	13,521,100	9,119,672	13,521,100
	9,119,672	13,528,222	9,119,672	13,526,951

Group and company

The bank overdraft is secured over the assets of the company.

The other borrowings relate to an invoice discounting facility which is secured over the company's trade debtors.

18 Pension and other schemes

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £6,841 (2017 - £12,413).

19 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	200	200	200	200

20 Obligations under leases

Group and company

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	102,529	91,648
Later than one year and not later than five years	579,601	479,069
Later than five years	690,206	923,037
	1,372,336	1,493,754

The amount of non-cancellable operating lease payments recognised as an expense during the year was £139,785 (2017 - £129,961).

21 Related party transactions

Summary of transactions with key management
Key management personnel are considered to be the directors of the company. The directors did not receive any remuneration from the group in the year.

During the year the company made the following related party transactions:

Purple Factors Limited
(The directors have a material interest)
During the year the company paid management charges of £219,700 (2017 - £197,000) and charged rent of £10,100 (2017 - £12,000) to Purple Factors Limited. At the balance sheet date the amount due to Purple Factors Limited was £nil (2017 - £22,164).

Partner Together Limited
(The directors have a material interest)
During the year the company made sales of £53,111 (2017 - £23,102) to Partner Together Limited. At the balance sheet date the amount due from Partner Together Limited was £nil (2017 - £17,765).

Recruitment Staffing Solutions LLP
(The directors have a material interest)
During the year the company made sales of £56,000 (2017 - £59,596) to Recruitment Staffing Solutions LLP. At the balance sheet date the amount due from Recruitment Staffing Solutions LLP was £30,000 (2017 - £nil).

Industrial and Logistical Support Services
(The directors have a material interest)
During the year the company made sales of £nil (2017 - £54,861) to Industrial and Logistical Support Services. At the balance sheet date the amount due from Industrial and Logistical Support Services was £nil (2017 - £19,233).

Element Studio Limited
(The directors have a material interest)
During the year the company made purchases of £612 (2017 - £4,200) to Element Studio Limited. At the balance sheet date the amount due from Element Studio Limited was £nil (2017 - £nil).