

**KEEN THINKING LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**KEEN THINKING LIMITED**

**Contents**

Company Information	<u>1</u>
Strategic Report	<u>2</u>
Directors' Report	<u>3</u>
Statement of Directors' Responsibilities	<u>4</u>
Independent Auditor's Report	<u>5 to 7</u>
Profit and Loss Account	<u>8</u>
Balance Sheet	<u>9</u>
Statement of Changes in Equity	<u>10</u>
Notes to the Financial Statements	<u>11 to 20</u>

## **KEEN THINKING LIMITED**

### **Company Information**

<b>Directors</b>	T Atkinson D Thornhill
<b>Registered office</b>	The Aspen Building Vantage Point Business Village Mitcheldean GL17 0DD
<b>Auditors</b>	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

## **KEEN THINKING LIMITED**

### **Strategic Report for the Year Ended 31 March 2022**

The directors present their strategic report for the year ended 31 March 2022.

#### **Principal activity**

The principal activity of the company is that of providing funding and accounting services to recruitment agencies and facilitating the provision of temporary staff on behalf of recruitment agencies.

#### **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 year.

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

	<b>Unit</b>	<b>2022</b>	<b>2021</b>
Turnover	£ '000	5,048	3,608
Gross profit margin	%	60	60
Operating profit margin	%	18	9
Current assets as a percentage of current liabilities	%	108	108

#### **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**

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 continues to enjoy the full support of its funders. It has more than sufficient financial resources available and is generating both profit and cash. The directors have prepared forecasts for the next 12 months and these indicate that the company is well positioned to enjoy continued growth and profitability, due to the actions initially taken. The directors believe that the company has more than sufficient resources to continue for the foreseeable future and have therefore continued to adopt the going concern basis for the preparation of the financial statements.

Approved by the Board on 9 November 2022 and signed on its behalf by:

D Thornhill  
Director

## **KEEN THINKING LIMITED**

### **Directors' Report for the Year Ended 31 March 2022**

The directors present their report and the financial statements for the year ended 31 March 2022.

#### **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, as set out in the Strategic Report. The directors are confident that their strategy will give improved results for the year ending 31 March 2023.

#### **Research and development**

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

#### **Disclosure of information to the auditors**

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 9 November 2022 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 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **KEEN THINKING LIMITED**

### **Independent Auditor's Report to the Members of Keen Thinking Limited**

#### **Opinion**

We have audited the financial statements of Keen Thinking Limited (the 'company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 March 2022 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

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.

#### **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.

## **KEEN THINKING LIMITED**

### **Independent Auditor's Report to the Members of Keen Thinking Limited**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In the light of our knowledge and understanding of the 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.

#### **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 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 company or to cease operations, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006, and taxation laws;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included challenging assumptions and judgements made by management in its significant accounting estimates and identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.
  - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - challenging assumptions and judgements made by management in its significant accounting estimates; and
  - identifying and testing journal entries, in particular any journal entries with unusual characteristics.

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



## **KEEN THINKING LIMITED**

### **Independent Auditor's Report to the Members of Keen Thinking Limited**

#### **Use of this report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ryan Hancock (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court

Staverton

Cheltenham

GL51 0UX

9 November 2022

**KEEN THINKING LIMITED****Profit and Loss Account for the Year Ended 31 March 2022**

	Note	2022 £	2021 £
Turnover	<u>3</u>	4,987,342	3,608,061
Cost of sales		<u>(1,990,818)</u>	<u>(1,437,270)</u>
Gross profit		2,996,524	2,170,791
Administrative expenses		(2,145,870)	(1,961,154)
Other operating income	<u>4</u>	<u>-</u>	<u>105,752</u>
Operating profit	<u>5</u>	850,654	315,389
Income from interest in partnership	<u>7</u>	60,440	-
Interest payable and similar charges	<u>8</u>	<u>(325,227)</u>	<u>(150,155)</u>
Profit before tax		585,867	165,234
Taxation	<u>11</u>	<u>(114,232)</u>	<u>19,772</u>
Profit for the financial year		<u><u>471,635</u></u>	<u><u>185,006</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

The notes on pages 11 to 20 form an integral part of these financial statements.

**KEEN THINKING LIMITED**

(Registration number: 04012805)  
 Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	<u>12</u>	12,993	24,852
Investments	<u>13</u>	60,440	-
		<u>73,433</u>	<u>24,852</u>
<b>Current assets</b>			
Debtors	<u>14</u>	23,123,369	13,714,750
Debtors: Amounts falling due after more than one year	<u>14</u>	-	40,017
Cash at bank and in hand		3,643,758	204,235
		<u>26,767,127</u>	<u>13,959,002</u>
Creditors: Amounts falling due within one year	<u>15</u>	(24,785,226)	(12,387,268)
Net current assets		<u>1,981,901</u>	<u>1,571,734</u>
Total assets less current liabilities		2,055,334	1,596,586
Creditors: Amounts falling due after more than one year	<u>15</u>	(32,387)	(42,094)
Provisions for liabilities	<u>11</u>	(1,252)	(4,432)
Net assets		<u>2,021,695</u>	<u>1,550,060</u>
<b>Capital and reserves</b>			
Called up share capital	<u>17</u>	189	189
Capital redemption reserve		167,511	167,511
Profit and loss account		1,853,995	1,382,360
Total equity		<u>2,021,695</u>	<u>1,550,060</u>

Approved and authorised by the Board on 9 November 2022 and signed on its behalf by:

D Thornhill  
 Director

**KEEN THINKING LIMITED****Statement of Changes in Equity for the Year Ended 31 March 2022**

	<b>Share capital</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2020	189	167,511	1,197,354	1,365,054
Profit for the year	-	-	185,006	185,006
At 31 March 2021	189	167,511	1,382,360	1,550,060

	<b>Share capital</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2021	189	167,511	1,382,360	1,550,060
Profit for the year	-	-	471,635	471,635
At 31 March 2022	189	167,511	1,853,995	2,021,695

The notes on pages 11 to 20 form an integral part of these financial statements.

# **KEEN THINKING LIMITED**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

### **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.

#### **Going concern**

Having implemented a full business review and restructure the directors believe that the company has more than sufficient resources to continue for the foreseeable future and therefore should continue 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.

## **KEEN THINKING LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	25% Straight-line basis

#### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

#### **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.

#### **Trade debtors**

Trade debtors are amounts due from customers for 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 company will not be able to collect all amounts due according to the original terms of the debtors.

## **KEEN THINKING LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **Trade 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 company 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 company 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 company 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.

## KEEN THINKING LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2022

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.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired 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.

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 company's revenue for the year from continuing operations is as follows:

	2022 £	2021 £
Rendering of services	4,987,342	3,608,061

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

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2022 £	2021 £
Government grants	-	105,752

#### 5 Operating profit

Arrived at after charging:

	2022 £	2021 £
Depreciation expense	14,072	18,592
Research and development cost	295,760	195,595
Foreign exchange losses	6,184	8,242
Operating lease expense - property	179,287	190,866
Loss on disposal of property, plant and equipment	-	2,005

#### 6 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	11,000	10,500



## KEEN THINKING LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 7 Other interest receivable and similar income

	2022	2021
	£	£
Income from interest in partnerships	60,440	-

#### 8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	325,227	150,155

#### 9 Staff costs

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

	2022	2021
	£	£
Wages and salaries	1,387,112	1,173,109
Social security costs	137,393	102,045
Pension costs, defined contribution scheme	23,361	20,314
Redundancy costs	-	27,417
	1,547,866	1,322,885

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

	2022	2021
	No.	No.
Administration and support	49	50

#### 10 Key Management remuneration

The key management remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	192,262	186,268
Contributions paid to money purchase schemes	1,761	1,313
	194,023	187,581

## KEEN THINKING LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 11 Taxation

Tax credited in the profit and loss account

	2022 £	2021 £
<b>Current taxation</b>		
UK corporation tax	117,412	(6,982)
UK corporation tax adjustment to prior periods	-	(9,053)
	<u>117,412</u>	<u>(16,035)</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(3,180)	(3,468)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	(269)
	<u>(3,180)</u>	<u>(3,737)</u>
Total deferred taxation		
	<u>114,232</u>	<u>(19,772)</u>
Tax expense/(receipt) in the income statement		

The corporation tax credit for the year and the corporation tax adjustment to prior periods arising as a result of enhanced R&D allowances available to the company.

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>585,867</u>	<u>165,234</u>
Corporation tax at standard rate	111,360	31,394
Effect of expense not deductible in determining taxable profit (tax loss)	2,872	4,586
Deferred tax credit from unrecognised temporary difference from a prior period	-	(269)
Decrease in UK and foreign current tax from adjustment for prior periods	-	(9,053)
Tax decrease from effect of capital allowances and depreciation	-	(381)
Tax increase from other short-term timing differences	-	96
Tax decrease from effect of adjustment in research and development tax credit	-	(46,145)
Total tax charge/(credit)	<u>114,232</u>	<u>(19,772)</u>

**KEEN THINKING LIMITED****Notes to the Financial Statements for the Year Ended 31 March 2022****11 Taxation (continued)****Deferred tax**

Deferred tax assets and liabilities

	<b>Liability £</b>
<b>2022</b>	
Fixed asset timing difference	1,252
	<hr/> <hr/>
<b>2021</b>	<b>Liability £</b>
Fixed asset timing difference	4,432
	<hr/> <hr/>

**12 Tangible assets**

	<b>Furniture, fittings and equipment £</b>
<b>Cost</b>	
At 1 April 2021	186,690
Additions	<hr/> 2,213
At 31 March 2022	<hr/> 188,903
<b>Depreciation</b>	
At 1 April 2021	161,838
Charge for the year	<hr/> 14,072
At 31 March 2022	<hr/> 175,910
<b>Carrying amount</b>	
At 31 March 2022	<hr/> <hr/> 12,993
At 31 March 2021	<hr/> <hr/> 24,852

## KEEN THINKING LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 13 Investments

##### Interest in partnerships

£

##### Cost

Profit share	60,440
--------------	--------

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Associates				
Infinity Skills LLP	England and Wales	Designated member	50%	50%
Recruitment Staffing Solutions LLP	England and Wales	Designated member	50%	50%

#### 14 Debtors

	Note	2022 £	2021 £
Amounts owed by related parties	19	681,671	640,578
Other debtors		22,426,720	13,087,676
Prepayments		14,978	19,531
Corporation tax asset	11	-	6,982
		23,123,369	13,754,767
Less non-current portion		(40,017)	(40,017)
Total current trade and other debtors		23,083,352	13,714,750

#### 15 Creditors

		2022 £	2021 £
<b>Due within one year</b>			
Loans and borrowings		14,952,662	7,711,211
Trade creditors		63,389	35,080
Amounts due to related parties	19	777,975	629,615
Social security and other taxes		228,696	253,513
Other creditors		8,487,625	3,633,173
Accrued expenses		157,467	124,676
Corporation tax liability	11	117,412	-
		24,785,226	12,387,268
<b>Due after one year</b>			
Loans and borrowings		32,387	42,094

## KEEN THINKING LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Loans and borrowings

Loans and borrowings relate to an invoice discounting facility which is secured over the company's other debtors. Included in loans and borrowings is £42,110 (2021 - £50,000) in relation to the Coronavirus Bounce Back Loan Scheme. The amount due in under one year was £9,723 (2021 - £7,906) and the amount due in over one year was £32,387 (2021 - £42,094).

#### 16 Pension and other schemes

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £23,361 (2021 - £20,314).

#### 17 Share capital

##### Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	189	189	189	189

#### 18 Obligations under leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	114,710	111,059
Later than one year and not later than five years	614,725	592,001
Later than five years	42,890	211,747
	<u>772,325</u>	<u>914,807</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £179,287 (2021 - £190,866).

#### 19 Related party transactions

##### Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 9 to the financial statements.

##### Purple Factors Limited

###### (Fellow group company)

During the year the company incurred management charges of £311,040 (2021 - £265,500) from and charged rent of £34,026 (2021 - £66,603) to Purple Factors Limited. At the balance sheet date the amount due to Purple Factors Limited was £127,248 (2021 - £622,670).

##### Simplicity Tech Group Limited

(The director has material interest)

During the year the directors loan account with Thomas Atkinson was novated to parent company Simplicity Tech Group Limited. As at 31 March 2022 the balance owed was £597,751 (2021 - £242,429).

##### Director Loan Accounts

During the year ended 31 March 2022 the company entered into a loan agreement with D.Thornhill (a director in the company).

As at the 31 March 2022, the company was owed £nil (2021: £130,741) by the director. No interest was charged on the loan.

## **KEEN THINKING LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **20 Parent and ultimate parent undertaking**

On 20 March 2021, as part a management buy out, the immediate and ultimate parent company became Simplicity Tech Group Limited, a company registered in England and Wales. The financial statements of Simplicity Tech Group Limited are available from Companies House.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.