

Company Registration No. 05852134 (England and Wales)

GOVERNMENT GRANT & TAX CONSULTANTS LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
PAGES FOR FILING WITH REGISTRAR

GOVERNMENT GRANT & TAX CONSULTANTS LTD

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GOVERNMENT GRANT & TAX CONSULTANTS LTD

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	5	1,159,290		29,594	
Tangible assets	6	82,342		83,507	
			1,241,632		113,101
Current assets					
Stocks (work in progress)	7	1,647,374		1,365,362	
Debtors	8	4,354,459		4,136,647	
Cash at bank and in hand		815,273		509,763	
			6,817,106		6,011,772
Creditors: amounts falling due within one year	9	(2,148,103)		(2,510,647)	
Net current assets			4,669,003		3,501,125
Net assets			5,910,635		3,614,226
Capital and reserves					
Called up share capital			80		80
Capital redemption reserve			23		23
Profit and loss reserves			5,910,532		3,614,123
Total equity			5,910,635		3,614,226

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 January 2022 and are signed on its behalf by:

S Phillips
Director

Company Registration No. 05852134

GOVERNMENT GRANT & TAX CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

Government Grant & Tax Consultants Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor Churchill House, 26-30 Upper Marlborough Road, St. Albans, Hertfordshire, United Kingdom, AL1 3UU.

1.1 Accounting convention

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements are prepared on a going concern basis. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

The directors have carried out their assessment of going concern and taking into account the economic conditions and possible changes in trading performance, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the extent of the impact of coronavirus continues to be unclear and it is difficult to evaluate all the potential implications on the company's trade, customers, suppliers and the wider economy.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account rebates and discounts.

Revenue from contracts for the provision of professional services is recognised at the point of submission of the resultant claims to the tax authorities or the point at which it is probable that the claim will be made. It is at this stage the fair value of the transaction can be reliably measured.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

GOVERNMENT GRANT & TAX CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	50% on cost
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The expenditure capitalised relates to the enhancement of third party software acquired and includes the cost of subcontractors.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	20% on cost
Fixtures and fittings	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.8 Stocks (work in progress)

Revenue from work in progress is recognised at the point of submission of the resultant claims to the tax authorities or the point at which it is probable the claim will be made. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

GOVERNMENT GRANT & TAX CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

Trade and other debtors

Trade and other debtors are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

Trade and other creditors

Trade and other creditors are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

GOVERNMENT GRANT & TAX CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.14 Leases

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Bad debt provision

Given the significant uncertainty caused to the UK economy as a result of the Covid-19 pandemic, the directors have reviewed the potential impact on the business and reflected the risk around particular sectors such as hospitality, retail and leisure with appropriate levels of provisions. The directors will continue to keep these levels under constant review as the UK continues to adjust to the ongoing impact of the pandemic.

Contingent consideration

Valuation of deferred contingent consideration is based on the amount of sales made by the acquired company at the anniversary date of acquisition. There is some subjectivity around the level of sales made. The directors oversee a process to ensure that any estimates around the sales forecast and actual sales are reasonable based on their knowledge and experience.

With the exception of the estimates described above, the directors consider that there are no other significant judgements or estimates in the preparation of these financial statements.

3 Non recurring costs

	2021	2020
	£	£
Expenditure		
Non recurring costs	-	337,845

During the previous year non recurring costs of £337,845, relate to various items, including termination fees and one off costs associated with moving sites.

GOVERNMENT GRANT & TAX CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	41	35

5 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 October 2020	23,648	98,350	121,998
Additions	1,134,180	43,000	1,177,180
At 30 September 2021	1,157,828	141,350	1,299,178
Amortisation and impairment			
At 1 October 2020	23,648	68,756	92,404
Amortisation charged for the year	18,903	28,581	47,484
At 30 September 2021	42,551	97,337	139,888
Carrying amount			
At 30 September 2021	1,115,277	44,013	1,159,290
At 30 September 2020	-	29,594	29,594

GOVERNMENT GRANT & TAX CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2020	64,545	38,262	102,807
Additions	-	39,628	39,628
At 30 September 2021	64,545	77,890	142,435
Depreciation and impairment			
At 1 October 2020	4,909	14,391	19,300
Depreciation charged in the year	20,909	19,884	40,793
At 30 September 2021	25,818	34,275	60,093
Carrying amount			
At 30 September 2021	38,727	43,615	82,342
At 30 September 2020	59,636	23,871	83,507

7 Stocks (work in progress)

	2021 £	2020 £
Work in progress	1,647,374	1,365,362

8 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	676,519	1,312,392
Amounts owed by group undertakings	3,504,879	2,703,423
Other debtors	173,061	120,832
	4,354,459	4,136,647

GOVERNMENT GRANT & TAX CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	344,661	330,374
Corporation tax	196,870	204,656
Other taxation and social security	398,884	660,876
Other creditors	1,207,688	1,314,741
	<u>2,148,103</u>	<u>2,510,647</u>

Included within other creditors is pension payable of £7,463 (2020: £6,989) and £396,180 (2020: £nil) which relates to deferred consideration on the acquisition of Luvo Tax LLP.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Lindsey Tyler FCA and the auditor was Azets Audit Services.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases due within one year:

	2021 £	2020 £
Within one year	129,956	120,886
Between two and five years	261,911	355,587
	<u>391,867</u>	<u>476,473</u>

GOVERNMENT GRANT & TAX CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

12 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, Government Grant and Tax Consultants Limited advanced £450 to Director D Bartholdi. At the year end £450 is included in other debtors.

During the year, Government Grant and Tax Consultants Limited advanced £500 to Director C Flood. At the year end £500 is included in other debtors.

The above advances to Director D Bartholdi and Director C Flood have been settled in November 2021.

13 Parent company

The company's immediate parent is Innovation Consulting Group Limited, incorporated in England and Wales.

The registered office of the immediate parent is 2nd Floor Churchill House, 26-30 Upper Marlborough Road, St Albans, Hertfordshire, United Kingdom, AL1 3UU.

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.