

**Company Registration No. 09289232 (England and Wales)**

**Third Republic Limited**

**Financial statements  
for the period ended 26 December 2018**

**Pages for filing with the Registrar**

**Third Republic Limited**

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**Third Republic Limited****Statement of financial position  
As at 26 December 2018**

		2018	2017
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	3	65,567	35,310
<b>Current assets</b>			
Debtors	4	3,213,856	2,178,022
Cash at bank and in hand		97,152	180,881
		<u>3,311,008</u>	<u>2,358,903</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>(2,871,753)</u>	<u>(1,870,938)</u>
<b>Net current assets</b>		<u>439,255</u>	<u>487,965</u>
<b>Total assets less current liabilities</b>		<u>504,822</u>	<u>523,275</u>
<b>Capital and reserves</b>			
Called up share capital	6	6,237	6,237
Share premium account		457,702	457,702
Profit and loss reserves		40,883	59,336
<b>Total equity</b>		<u>504,822</u>	<u>523,275</u>

The directors of the company have elected not to include a copy of the income statement 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 29 May 2020 and are signed on its behalf by:

R Vercesi  
**Director**

**Company Registration No. 09289232**

## **Third Republic Limited**

### **Notes to the financial statements**

**For the period ended 26 December 2018**

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#### **1 Accounting policies**

##### **Company information**

Third Republic Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2-4 Packhorse Road, Gerrards Cross, Buckinghamshire, England, SL9 7QE.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

The directors of the company assess the basis of preparation of the financial statements each year, and whether it is appropriate to prepare them on a going concern basis. In doing so, they assess the financial plan and cash flow projections for the company. Based on the foregoing, the directors believe that the company will have sufficient cash reserves and working capital to meet its ongoing requirements for at least 12 months from the date of approval of the financial statements.

However, at the time of approval of the accounts, the directors recognise that the Coronavirus outbreak in the United Kingdom and across the world represents an uncertainty to the future of the business which may significantly alter the company's financial performance from that projected in its original financial and cash flow projections. Due to these uncertain times the company has taken the necessary steps to preserve cash flow and has secured additional funding to remain as a going concern. It has taken advantage of the government measures that are available through the job retention scheme and VAT deferment. If required the company will continue to look at the measures available in the UK and USA. Based on the forecasts that have been prepared and the actions taken due to the Coronavirus outbreak, the directors consider it appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

##### **1.3 Reporting period**

The reporting period for these financial statements was from 28 December 2017 to 26 December 2018. The reporting period for the previous financial statements was 30 December 2016 to 27 December 2017.

## **Third Republic Limited**

### **Notes to the financial statements (continued)**

**For the period ended 26 December 2018**

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#### **1 Accounting policies (continued)**

##### **1.4 Turnover**

Turnover is shown net of VAT and at the fair value from revenues arising from the placement of permanent and contractor staff.

Turnover arising from the placement of permanent candidates is recognised at the time the candidate has accepted the job offer and resigned from their current job. A provision is made against the possibility of the cancellation of these placements prior to or shortly after the commencement of employment.

Turnover arising from contractor placements is recognised over the period the contractor is provided and represents the amounts billed for the services including the remuneration costs of the workers.

Turnover recognised from contract assignments and permanent placements but not yet invoiced at the reporting date is accrued in the balance sheet within accrued income and is shown as part of Debtors (note 5).

##### **1.5 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 improvements	Over the life of the lease
Plant and equipment	20% straight line
Computer equipment	33% straight line

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.

##### **1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### **1.7 Cash at bank and in hand**

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.

**1 Accounting policies (continued)**

**1.8 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.10 Taxation**

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

**1 Accounting policies (continued)**

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

**1.11 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.

**1.12 Retirement benefits**

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

**1.13 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

**Third Republic Limited**

**Notes to the financial statements (continued)**

**For the period ended 26 December 2018**

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the period was 39 (2017 – 24)

**3 Tangible fixed assets**

	<b>Leasehold improvements</b>	<b>Plant and equipment</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 28 December 2017	9,840	13,488	39,952	63,280
Additions	21,230	8,830	20,807	50,867
	<u>31,070</u>	<u>22,318</u>	<u>60,759</u>	<u>114,147</u>
At 26 December 2018				
<b>Depreciation and impairment</b>				
At 28 December 2017	5,367	6,424	16,179	27,970
Depreciation charged in the period	6,588	1,117	12,905	20,610
	<u>11,955</u>	<u>7,541</u>	<u>29,084</u>	<u>48,580</u>
At 26 December 2018				
<b>Carrying amount</b>				
At 26 December 2018	19,115	14,777	31,675	65,567
	<u>4,473</u>	<u>7,064</u>	<u>23,773</u>	<u>35,310</u>
At 27 December 2017				

**4 Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,894,858	1,181,473
Amounts owed by group and related undertakings	354,585	150,765
Other debtors	964,413	845,784
	<u>3,213,856</u>	<u>2,178,022</u>



**Third Republic Limited**

**Notes to the financial statements (continued)**

**For the period ended 26 December 2018**

**5 Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Invoice discounting liability	1,535,510	1,116,353
Trade creditors	62,390	138,797
Amounts owed to related undertakings	395,346	42,852
Corporation tax	34,379	14,512
Other taxation and social security	55,334	68,874
Directors' current accounts	17,356	17,356
Other creditors	771,438	472,194
	<u>2,871,753</u>	<u>1,870,938</u>

**6 Called up share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
7,987,900 Ordinary A shares of 0.01p each	798	798
4,730,600 Ordinary B shares of 0.01p each	473	473
4,530,600 Ordinary C shares of 0.01p each	453	453
1,313,874,000 Ordinary D shares of 0.0001p each	1,314	1,314
2,239,198,700 Ordinary E shares of 0.0001p each	2,239	2,239
960,287,200 Ordinary F shares of 0.0001p each	960	960
	<u>6,237</u>	<u>6,237</u>

All classes of shares have equal dividend and voting rights and equal rights of redemption.

## Third Republic Limited

### Notes to the financial statements (continued)

For the period ended 26 December 2018

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#### 7 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 qualified and the auditor reported as follows:

We have been unable to determine if the opening balance in relation to the invoice discounting liability is materially misstated as appropriate information was not available to allow us to determine whether the balance at 28 December 2017 was materially correct.

The auditor's report also included a material uncertainty in relation to going concern as follows:

We draw attention to note 1 in the financial statements, which describes the impact of the Coronavirus pandemic on the results and financial position of the company. The company's financial forecasts under normal trading conditions predict increased profitability in the next 12 months. Whilst the client has flexed the weekly forecasts that have been prepared to show various scenarios, the impact of the Coronavirus global outbreak in itself creates material uncertainty on the financial projections that have been prepared due to the lack of information on the long term impact the Coronavirus outbreak will have on the UK economy and global economy. Therefore, it is difficult to determine if the forecasts will be achieved and if not achieved the impact this will have on the company. Whilst this uncertainty exists the company has prepared detailed forecasts and a robust business plan to ensure that they are prepared significantly, to cope with the continued downturn in the economy and any potential second wave of Coronavirus. Due to this uncertainty on the global economy and the continued difficulty in preparing forecasts, it indicates the existence of a material uncertainty that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The senior statutory auditor was Jamie Cassell.

The auditor was Saffery Champness LLP.

#### 8 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2018	2017
£	£
137,822	91,086
<u>          </u>	<u>          </u>

#### 9 Related party transactions

**Third Republic Limited**

**Notes to the financial statements (continued)**

**For the period ended 26 December 2018**

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**9 Related party transactions (continued)**

At the year end £nil was due from M Roche, a director of the company (2017 - £29,954) and £17,356 was owed to R Vercesi, a director of the company (2017 - £17,356). No interest is charged on directors loan accounts.

At the year end £354,585 was due from both group and related undertakings (2017 - £150,765) and £395,346 (2017 - £42,852) was due to related undertakings.

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.