

Larsen Walsh Consultants Limited

Unaudited Financial Statements

For the period ended 31 December 2021

For Filing with Registrar



Company Registration No. 09882753 (England and Wales)

Larsen Walsh Consultants Limited

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Larsen Walsh Consultants Limited

Balance Sheet

As at 31 December 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		5,514		9,121
Current assets					
Debtors	5	903,259		390,733	
Cash at bank and in hand		189,306		1,224,302	
		<u>1,092,565</u>		<u>1,615,035</u>	
Creditors: amounts falling due within one year	6	<u>(282,939)</u>		<u>(397,794)</u>	
Net current assets			809,626		1,217,241
Total assets less current liabilities			<u>815,140</u>		<u>1,226,362</u>
Provisions for liabilities			(1,378)		-
Net assets			<u>813,762</u>		<u>1,226,362</u>
Capital and reserves					
Called up share capital	7		2		2
Profit and loss reserves			813,760		1,226,360
Total equity			<u>813,762</u>		<u>1,226,362</u>

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

For the financial period ended 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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

Larsen Walsh Consultants Limited

Balance Sheet (Continued)

As at 31 December 2021

The financial statements were approved by the board of directors and authorised for issue on 28/09/22
and are signed on its behalf by:

Andrew Daynes

A Daynes
Director

Company Registration No. 09882753

Larsen Walsh Consultants Limited

Statement of Changes in Equity

For the period ended 31 December 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2019		2	365,150	365,152
Year ended 31 October 2020:				
Profit and total comprehensive income for the year		-	1,002,210	1,002,210
Dividends		-	(141,000)	(141,000)
Balance at 31 October 2020		2	1,226,360	1,226,362
Period ended 31 December 2021:				
Profit and total comprehensive income for the period		-	937,400	937,400
Dividends		-	(1,350,000)	(1,350,000)
Balance at 31 December 2021		2	813,760	813,762

Larsen Walsh Consultants Limited

Notes to the Financial Statements

For the period ended 31 December 2021

1 Accounting policies

Company information

Larsen Walsh Consultants Limited is a private company limited by shares incorporated in England and Wales. The registered office is 69 Wilson Street, London, United Kingdom, EC2A 2BB.

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 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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

As at the balance sheet date, the company had net assets of £813,762 (2020 - £1,226,360). The directors continue to monitor the impact of the ongoing COVID-19 pandemic and have prepared detailed cash flow projections which are based on their current expectations of trading prospects. The company has positive cash reserves at the date of approval of the financial statements and has been trading profitably since the year end. This will enable it to continue to meet its liabilities as they fall due for at least the next twelve months.

As a result the directors are confident that they have the ability to respond effectively to continued uncertainty and as a result, the directors believe that the company will be able to continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

1.3 Reporting period

The company's reporting period has been extended to 31 December 2021 in order for it to become coterminous with the parent company reporting period.

1.4 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 trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Larsen Walsh Consultants Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

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:

Plant and equipment	25% straight line
Fixtures and fittings	25% straight line
Computers	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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 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.

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Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

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 balance sheet 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 and cash and bank balances, 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.

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.

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.

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Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

1 Accounting policies

(Continued)

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 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 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 in the period are included in profit or loss.

2 Employees

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

	2021 Number	2020 Number
Total	2	3

3 Interest payable and similar expenses

	2021 £	2020 £
<i>Interest payable and similar expenses includes the following:</i>		
Other interest	933	261

Larsen Walsh Consultants Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 November 2020	16,036
Additions	1,633
Disposals	(2,895)
At 31 December 2021	14,774
Depreciation and impairment	
At 1 November 2020	6,915
Depreciation charged in the period	4,559
Eliminated in respect of disposals	(2,214)
At 31 December 2021	9,260
Carrying amount	
At 31 December 2021	5,514
At 31 October 2020	9,121

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	175,457	377,420
Amounts owed by group undertakings	727,802	-
Other debtors	-	13,313
	903,259	390,733

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	6,327	10,788
Corporation tax	190,185	235,223
Other taxation and social security	67,933	-
Other creditors	18,494	151,783
	282,939	397,794

Larsen Walsh Consultants Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

7 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 1p each	100	100	1	1
A Ordinary shares of 1p each	50	50	1	1
	<u>150</u>	<u>150</u>	<u>2</u>	<u>2</u>

8 Financial commitments, guarantees and contingent liabilities

A composite guarantee has been given to the Newton Bidco Limited's lenders in respect of any debts or liabilities owing to the lenders by any party to the guarantee. The parties to the guarantee are the companies listed below:

Gravity Global Limited
Gravity London Limited
Gravity Oxford Ltd
Gravity Global Performance Marketing Ltd
Gravity Global Digital Ltd
Larsen Walsh Consultants Limited

At the balance sheet date, Newton Bidco Limited's indebtedness to its lenders was £10,500,000.

9 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:

	2021 £	2020 £
Within one year	-	10,500
	<u>-</u>	<u>10,500</u>

10 Related party transactions

As permitted by FRS 102 Section 33 "related party disclosures", the financial statements do not disclose transactions with the immediate parent company and wholly owned fellow subsidiaries on the basis that group financial statements are prepared.

At the balance sheet date, there was a balance of £418 (2020: £112,595) due to three directors of which two resigned in the period.

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Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

11 Controlling party

During the period Gravity Global Limited acquired 100% shareholding of the company.

The immediate parent undertaking of the company is Gravity Global Limited, a company incorporated in England and Wales. The immediate parent company of Gravity Global Limited is Newton Bidco Limited, a company registered in England and Wales. The immediate parent company of Newton Bidco Limited is Newton Midco Limited, a company registered in England and Wales. The ultimate parent company of the group is Newton Topco Limited, a company incorporated in England and Wales.

Gravity Global Limited is the smallest group for which consolidated financial statements including the company are prepared. The consolidated financial statements of Gravity Global Limited are available from its registered office, 69 Wilson Street, London, United Kingdom, EC2A 2BB.

Newton Topco Limited is the largest group for which consolidated financial statements including the company are prepared. The consolidated financial statements of Newton Topco Limited are available from its registered office, 69 Wilson Street, London, United Kingdom, EC2A 2BB.

The company is controlled by Elysian Capital III LP of 1 Southampton Street, London, WC2R 0LR, on the basis that it controls a controlling interest in the voting rights of the share capital of Newton Topco Limited.