

Company Registration No. 07827384 (England and Wales)

Gravitricity Limited

unaudited financial statements

for the year ended 30 September 2022

Pages for filing with Registrar

Gravitricity Limited

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Gravitricity Limited**Balance sheet****as at 30 September 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	4		7,829		8,936
Current assets					
Debtors	5	377,422		16,608	
Cash at bank and in hand		973,222		1,950,188	
		<u>1,350,644</u>		<u>1,966,796</u>	
Creditors: amounts falling due within one year	6	<u>(271,079)</u>		<u>(66,328)</u>	
Net current assets			<u>1,079,565</u>		<u>1,900,468</u>
Net assets			<u><u>1,087,394</u></u>		<u><u>1,909,404</u></u>
Capital and reserves					
Called up share capital			170,870		170,870
Share premium account			3,417,302		3,417,302
Profit and loss reserves			<u>(2,500,778)</u>		<u>(1,678,768)</u>
Total equity			<u><u>1,087,394</u></u>		<u><u>1,909,404</u></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 year ended 30 September 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small 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 year 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.

The financial statements were approved by the board of directors and authorised for issue on 23 January 2023 and are signed on its behalf by:

C W Blair
Director

Company Registration No. 07827384

Gravitricity Limited

Notes to the financial statements

for the year ended 30 September 2022

1 Accounting policies

Company information

Gravitricity Limited is a private company limited by shares incorporated in England and Wales. The registered office is Regent House, 316a Beulah Hill, London, SE19 3HF.

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.

These financial statements for the year ended 30 September 2022 are the first financial statements of Gravitricity Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2020. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 8.

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.

1.3 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	50% straight line
Fixtures and fittings	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.

1.4 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.

Gravitricity Limited

Notes to the financial statements (continued)

for the year ended 30 September 2022

1 Accounting policies (continued)

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.

1.5 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.

1.6 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.

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.

Gravitricity Limited

Notes to the financial statements (continued)

for the year ended 30 September 2022

1 Accounting policies (continued)

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.

1.7 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.

1.8 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.

Gravitricity Limited

Notes to the financial statements (continued)

for the year ended 30 September 2022

1 Accounting policies (continued)

1.9 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.

1.10 Retirement benefits

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

1.11 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.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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 in the period are included in profit or loss.

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.

Gravitricity Limited

Notes to the financial statements (continued)

for the year ended 30 September 2022

3 Employees

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

	2022	2021
	Number	Number
Total	15	11

4 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 October 2021	528,327	280	16,724	545,331
Additions	-	-	4,149	4,149
At 30 September 2022	528,327	280	20,873	549,480
Depreciation and impairment				
At 1 October 2021	528,327	189	7,879	536,395
Depreciation charged in the year	-	83	5,173	5,256
At 30 September 2022	528,327	272	13,052	541,651
Carrying amount				
At 30 September 2022	-	8	7,821	7,829
At 30 September 2021	-	91	8,845	8,936

5 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	362,460	10,330
Prepayments and accrued income	14,962	6,278
	377,422	16,608

Deferred tax asset

The company has an unprovided deferred tax asset of £462,688 (2021: £294,982) as a result of taxable losses available for carry forward to offset against future taxable profits.

Gravitricity Limited

Notes to the financial statements (continued)

for the year ended 30 September 2022

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	156,005	11,613
Taxation and social security	30,430	24,166
Accruals and deferred income	84,644	30,549
	271,079	66,328

7 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Peter Fraenkel Limited

A company with a mutual director.

During the year, the company was invoiced amounts totalling £18,000 (2021: £18,500) from Peter Frankel Limited in respect of consultancy fees. At the year end the balance of £1,500 (2021: £1,500) was still outstanding in relation to these amounts and is included within accruals.

Aurora Ventures Limited

A company with a mutual director.

During the year, the company was invoiced amounts totalling £37,113 (2021: £18,333) from Aurora Ventures Limited in respect of consultancy and travel fees. At the year end the balance of £5,111 (2021: £4,663) was still outstanding in relation to these amounts and is included within trade creditors (2021: included within accruals).

Gravitricity Limited

Notes to the financial statements (continued)

for the year ended 30 September 2022

8 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under FRS 105 are given below.

Reconciliation of equity

		At 1 October 2020			At 30 September 2021		
		FRS 105	Effect of transition	FRS 102	FRS 105	Effect of transition	FRS 102
Notes	£	£	£	£	£	£	£
Fixed assets							
Tangible assets	391,228	-	391,228	8,936	-	8,936	
Current assets							
Debtors	78,114	-	78,114	16,608	-	16,608	
Bank and cash	783,757	-	783,757	1,950,188	-	1,950,188	
	861,871	-	861,871	1,966,796	-	1,966,796	
Creditors due within one year							
Trade creditors	(26,312)	-	(26,312)	(11,613)	-	(11,613)	
Taxation and social security	(22,653)	-	(22,653)	(24,166)	-	(24,166)	
Accruals	1 (10,059)	-	(10,059)	(19,355)	(11,194)	(30,549)	
	(59,024)	-	(59,024)	(55,134)	(11,194)	(66,328)	
Net current assets	802,847	-	802,847	1,911,662	(11,194)	1,900,468	
Total assets less current liabilities	1,194,075	-	1,194,075	1,920,598	(11,194)	1,909,404	
Net assets	1,194,075	-	1,194,075	1,920,598	(11,194)	1,909,404	
Capital and reserves							
Share capital	142,171	-	142,171	170,870	-	170,870	
Share premium	1,417,378	-	1,417,378	3,417,302	-	3,417,302	
Profit and loss	1 (365,474)	-	(365,474)	(1,667,574)	(11,194)	(1,678,768)	
Total equity	1,194,075	-	1,194,075	1,920,598	(11,194)	1,909,404	

Notes to reconciliations on adoption of FRS 102

1 Holiday pay accrual

A holiday pay accrual has been brought in for the previous and current periods as prescribed by FRS 102.

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.