

Company Registration No. 09524310 (England and Wales)

THORTFUL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR

THORTFUL LIMITED

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THORTFUL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		1,786,327		260,819
Current assets					
Stocks		578,769		171,608	
Debtors	6	3,187,879		686,601	
Cash at bank and in hand		3,290,131		761,803	
		<u>7,056,779</u>		<u>1,620,012</u>	
Creditors: amounts falling due within one year	7	<u>(5,849,919)</u>		<u>(2,400,762)</u>	
Net current assets/(liabilities)			1,206,860		(780,750)
Total assets less current liabilities			<u>2,993,187</u>		<u>(519,931)</u>
Creditors: amounts falling due after more than one year	8		(1,701,750)		(1,076,841)
Provisions for liabilities			<u>(188,101)</u>		-
Net assets/(liabilities)			<u><u>1,103,336</u></u>		<u><u>(1,596,772)</u></u>
Capital and reserves					
Called up share capital	11		2,228		2,126
Share premium account			213,722		192,396
Profit and loss reserves			<u>887,386</u>		<u>(1,791,294)</u>
Total equity			<u><u>1,103,336</u></u>		<u><u>(1,596,772)</u></u>

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 2 September 2021 and are signed on its behalf by:

S V C Rai
Director

Company Registration No. 09524310

THORTFUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Thortful Limited is a private company limited by shares incorporated in England and Wales. The registered office is 22 Wycombe End, Beaconsfield, Buckinghamshire, United Kingdom, HP9 1NB.

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. 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.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

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

Plant and equipment	33% and 20% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	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.

THORTFUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

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.

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 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.

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.

THORTFUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 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.

1.11 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 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

THORTFUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

1.15 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of share options

The directors have been unable to directly measure the fair value of share options granted during the year. The Black-Scholes model has been used to estimate their fair value indirectly. The model uses a number of assumptions, which the directors consider to be reasonable based on the current size and condition of the company and the sector it operates in. As a result, the valuation is subject to a degree of uncertainty and is made on the basis of assumptions that may not prove to be accurate.

3 Employees

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

	2020 Number	2019 Number
Total	40	23

THORTFUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	289,350	41,173
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	537,510	-
	<u> </u>	<u> </u>
Total tax charge	<u>826,860</u>	<u>41,173</u>

5 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	278,725	8,878	45,815	-	333,418
Additions	1,616,176	9,880	64,805	53,992	1,744,853
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	1,894,901	18,758	110,620	53,992	2,078,271
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment					
At 1 January 2020	47,375	2,398	22,826	-	72,599
Depreciation charged in the year	184,832	6,135	22,425	5,953	219,345
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	232,207	8,533	45,251	5,953	291,944
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount					
At 31 December 2020	1,662,694	10,225	65,369	48,039	1,786,327
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2019	231,350	6,480	22,989	-	260,819
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6 Debtors

	2020	2019
	£	as restated £
Amounts falling due within one year:		
Trade debtors	2,539	6,880
Other debtors	3,185,340	330,312
	<u> </u>	<u> </u>
	3,187,879	337,192
Deferred tax asset	-	349,409
	<u> </u>	<u> </u>
	3,187,879	686,601
	<u> </u>	<u> </u>

THORTFUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Creditors: amounts falling due within one year

		2020	2019
		£	£
Obligations under finance leases	9	379,526	-
Trade creditors		3,064,351	371,214
Corporation tax		289,350	-
Other taxation and social security		936,103	150,675
Other creditors		10,170	1,878,873
Accruals and deferred income		1,170,419	-
		<u>5,849,919</u>	<u>2,400,762</u>

Included within other creditors is amounts due to the directors Enil (2019: £1,615,328) which does not bear interest.

8 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Obligations under finance leases	9	797,341	217,760
Other borrowings		904,409	859,081
		<u>1,701,750</u>	<u>1,076,841</u>

Included within other borrowings is amounts due to the directors of £904,409 (2019: £859,081) which does not bear interest and is repayable from 1 January 2022.

9 Finance lease obligations

	2020	2019
	£	£
Future minimum lease payments due under finance leases:		
Within one year	379,526	65,328
In two to five years	797,341	152,432
	<u>1,176,867</u>	<u>217,760</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

10 Share-based payment transactions

EMI share options

The EMI share options in existence vest evenly over a 3 year period from the date of grant. The vesting condition is continuous employment. The options lapse after 10 years from the date of grant.

THORTFUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Share-based payment transactions

(Continued)

	Number of share options		Weighted average exercise price	
	2020 Number	2019 Number	2020 £	2019 £
Outstanding at 1 January 2020	101,420	51,020	0.77	0.42
Granted	-	51,600	-	1.09
Forfeited	(2,000)	(1,200)	1.09	1.09
Exercised	(51,020)	-	0.42	-
	<u>48,400</u>	<u>101,420</u>	<u>1.09</u>	<u>0.77</u>
Outstanding at 31 December 2020	48,400	101,420	1.09	0.77
	<u>41,132</u>	<u>81,686</u>	<u>1.09</u>	<u>0.67</u>
Exercisable at 31 December 2020	41,132	81,686	1.09	0.67

Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £2,121 (2019: £34,881) which related to equity settled share based payment transactions.

11 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary of 0.2p each	1,113,928	1,062,908	2,228	2,126
	<u>1,113,928</u>	<u>1,062,908</u>	<u>2,228</u>	<u>2,126</u>

On 2 July 2020, 51,020 shares were issued at £0.42 per share.

12 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:

	2020 £	2019 £
Within one year	15,596	22,000
Between two and five years	-	15,596
	<u>15,596</u>	<u>37,596</u>

13 Related party transactions

During the year, the company repaid £1,570,000 to directors in relation to interest free loans provided. At the balance sheet date, the company owed the directors £904,409 (2019: £2,474,409).

THORTFUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Prior period adjustment

Changes to the balance sheet

	As previously reported	Adjustment	As restated at 31 Dec 2019
	£	£	£
Current assets			
Debtors due within one year	337,192	349,409	686,601
Provisions for liabilities			
Deferred tax	349,409	(349,409)	-
Net assets	(1,596,772)	-	(1,596,772)
	=====	=====	=====
Capital and reserves			
Total equity	(1,596,772)	-	(1,596,772)
	=====	=====	=====

The deferred tax asset was carried forward as a negative deferred tax liability, as such a prior year adjustment has been made to reclassify this as a deferred tax asset brought forward. This has a nil impact on the profit or loss.

15 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 Ross Fabian.

The auditor was HW Fisher LLP.

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.