Company registration number SC343621 (Scotland)

# THINKTANK MATHS LIMITED

## UNAUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MAY 2023

## PAGES FOR FILING WITH REGISTRAR

# THINKTANK MATHS LIMITED

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# THINKTANK MATHS LIMITED

## BALANCE SHEET

### *AS AT 31 MAY 2023*

| | Notes | 2023 £ | 2023 £ | 2022 £ | 2022 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | **3** | | 6,302 | | 11,665 |
| Investments | **4** | | 2,600 | | 2,600 |
| | | | 8,902 | | 14,265 |
| **Current assets** | | | | | |
| Debtors | **5** | 191,572 | | 110,265 | |
| Cash at bank and in hand | | 11,449 | | 187,951 | |
| | | 203,021 | | 298,216 | |
| **Creditors: amounts falling due within one year** | **6** | (175,100) | | (49,103) | |
| **Net current assets** | | | 27,921 | | 249,113 |
| **Total assets less current liabilities** | | | 36,823 | | 263,378 |
| **Creditors: amounts falling due after more than one year** | **7** | | (28,333) | | (39,450) |
| **Net assets** | | | 8,490 | | 223,928 |
| **Capital and reserves** | | | | | |
| Called up share capital | | | 100 | | 100 |
| Share premium account | | | 14,975 | | 14,975 |
| Profit and loss reserves | | | (6,585) | | 208,853 |
| **Total equity** | | | 8,490 | | 223,928 |

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 31 May 2023 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.

## BALANCE SHEET (CONTINUED)

***AS AT 31 MAY 2023***

The financial statements were approved by the board of directors and authorised for issue on 13 July 2023 and are signed on its behalf by:

A E Mathis
**Director**

**Company Registration No. SC343621**

### 1 Accounting policies

**Company information**

ThinkTank Maths Limited is a private company limited by shares incorporated in Scotland. The registered office is Hopetoun Gate, 8b Mcdonald Road, Edinburgh, EH7 4LZ.

### 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

The directors recognise the deficit on the profit and loss reserve at the year end. The company undertakes research and development and as such is seeking an R&D tax credit from HMRC. Following the year end the company has secured a new contract which the directors are confident will become a long term source of revenue. The directors have confirmed they will support the business to realise its assets and discharge its liabilities as they fall due for a period of no less than 12 months from signing the financial statements.

In the directors' opinion these financial statements should be prepared on the going concern basis.

### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

### 1.4 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:

| | |
|---|---|
| Fixtures and fittings | 25% straight line |
| Computer equipment | 20% 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.

### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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 .

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1 Accounting policies** **(Continued)**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

**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.

**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 Accounting policies** **(Continued)**

***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.

***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 Retirement benefits**

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

**1 Accounting policies** **(Continued)**

**1.12 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.

**1.13 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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays, Of the offered schemes, the company used the furlough scheme. The income from the furlough scheme has been recognised within 'Other operating income'.

**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 year was:

| | 2023<br>Number | 2022<br>Number |
|---|---|---|
| Total | 9 | 9 |

## 3 Tangible fixed assets

| | Fixtures and fittings | Computer equipment | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 June 2022 | 3,940 | 45,102 | 49,042 |
| Additions | - | 1,248 | 1,248 |
| Disposals | - | (3,168) | (3,168) |
| At 31 May 2023 | 3,940 | 43,182 | 47,122 |
| **Depreciation and impairment** | | | |
| At 1 June 2022 | 3,284 | 34,093 | 37,377 |
| Depreciation charged in the year | 460 | 6,151 | 6,611 |
| Eliminated in respect of disposals | - | (3,168) | (3,168) |
| At 31 May 2023 | 3,744 | 37,076 | 40,820 |
| **Carrying amount** | | | |
| At 31 May 2023 | 196 | 6,106 | 6,302 |
| At 31 May 2022 | 656 | 11,009 | 11,665 |

## 4 Fixed asset investments

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Shares in group undertakings and participating interests | 2,600 | 2,600 |

## 5 Debtors

| | 2023 | 2022 |
|---|---|---|
| **Amounts falling due within one year:** | £ | £ |
| Trade debtors | 75,595 | - |
| Corporation tax recoverable | 98,806 | 95,180 |
| Other debtors | 12,865 | 11,364 |
| Prepayments and accrued income | 4,306 | 3,721 |
| | 191,572 | 110,265 |

## 6 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Bank loans | 10,000 | 8,893 |
| Trade creditors | 1,789 | 16,137 |
| Taxation and social security | 5,664 | 4,912 |
| Other creditors | 149,884 | 11,361 |
| Accruals and deferred income | 7,763 | 7,800 |
| | 175,100 | 49,103 |

## 7 Creditors: amounts falling due after more than one year

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | 28,333 | 39,450 |

## 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:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| | 10,350 | 7,365 |

## 9 Related party transactions

The company has chosen to take advantage of the exemption provided by FRS 102 whereby disclosure of transactions entered into between two or more members of a group need not be disclosed, provided that any subsidiary which is party to the transactions is wholly owned by such a member.

Included within other creditors at the year end are balances due to the directors of £144,255 (2022 - £4,225). These balances are interest free, unsecured and have no fixed terms of repayment.

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