

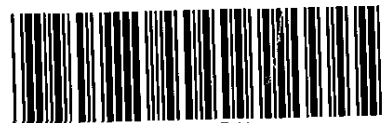
Company Registration No. 03788854

Cordium Consulting Limited

Annual Report and Financial Statements

For the year ended 30 June 2017

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**Cordium Consulting Limited
Annual Report and Financial Statements
For the year ended 30 June 2017**

Contents	Page
Officers and professional advisers	1
Directors' report	2
Strategic report	3
Profit and loss account and other comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7

Cordium Consulting Limited
Annual Report and Financial Statements
For the year ended 30 June 2017

Officers and professional advisers

Directors

S J J Burke
P B Naughton

Registered Office

130 Jermyn Street
London
SW1Y 4UR

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Cordium Consulting Limited

Annual Report and Financial Statements

For the year ended 30 June 2017

Directors' report

The directors present the Annual Report and Financial Statements of the Company for the year ended 30 June 2017.

Results and dividends

The profit before tax for the year amounted to £ 3,096,863 (2016: £2,914,712). No interim dividend was declared in the year (2016: £nil).

Directors

The directors who served throughout the year, except as noted, were as follows:

A D P Insley (Resigned 29th November 2017)

S J J Burke

P B Naughton

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.


Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that year. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Approved by the Board and signed on its behalf by:



S J J Burke
Director

29 March 2018

Cordium Consulting Limited
Annual report and financial statements
For the year ended 30 June 2017

Strategic report

Principal activity and business review

The principal activity of the company in the year under review was that of regulatory consulting services. The business continued to perform strongly in the year.

Key performance indicators

The key financial highlights, as set out in the financial statements, are as follows:

	Year ended 30 June 2017 £	Year ended 30 June 2016 £
Turnover	6,141,835	5,660,323
Profit for the year	3,096,863	2,914,712
Shareholders' funds	9,678,245	6,581,382

Principal risks and uncertainties

The Company is part of a wider trading group headed by Columbo Topco Limited (the "Group"). The Company is supported by the Group.

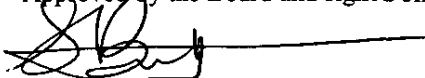
The Company has little exposure to currency risks. The directors do not consider credit risk exposure to be significant to the business due to having long-term existing relationships with many customers and monitoring levels of debtors on a regular basis. This is mitigated by ensuring depth and breadth amongst the customer base and by maintaining good communication and relationships with key customers, and loss of key personnel which is managed by close team working, good communication and appropriate remuneration as well as key-man insurance where appropriate.

Going concern

The Company holds sufficient levels of cash balances and overdraft flexibility to meet all its day-to-day working capital requirements. The Company is part of a larger Group which also supports the Company. As a result, the directors have a solid expectation that the Company has adequate resources and support to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Approved by the Board and signed on its behalf by:



S J J Burke
Director
29 March 2018

Cordium Consulting Limited
Profit and loss account and other comprehensive income
For the year ended 30 June 2017

	Notes	2017 £	2016 £
Turnover	2	6,141,835	5,660,323
Administrative expenses		(3,042,744)	(2,741,459)
Operating Profit		3,099,091	2,918,864
Interest payable and similar charges	3	(2,228)	(4,152)
Profit on ordinary activities before taxation		3,096,863	2,914,712
Tax on profit on ordinary activities	7	-	-
Profit for the year and total comprehensive income for the year		3,096,863	2,914,712

All results are derived from continuing operations.

The notes on pages 7 to 13 are an integral part of these financial statements.

Cordium Consulting Limited
Balance sheet
As at 30 June 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	8	1,114	4,457
		<u>1,114</u>	<u>4,457</u>
Current assets			
Debtors	9	15,848,218	9,439,883
Cash at bank and in hand		320,405	422,938
		<u>16,168,623</u>	<u>9,862,821</u>
Creditors: Amounts falling due within one year	10	(6,491,492)	(3,285,896)
Net current assets		<u>9,677,131</u>	<u>6,576,925</u>
Total assets less current liabilities		<u>9,678,245</u>	<u>6,581,382</u>
Net assets		<u>9,678,245</u>	<u>6,581,382</u>
Capital and reserves			
Called-up share capital	11	5,080	5,080
Profit and loss account		<u>9,673,165</u>	<u>6,576,302</u>
Shareholders' funds		<u>9,678,245</u>	<u>6,581,382</u>

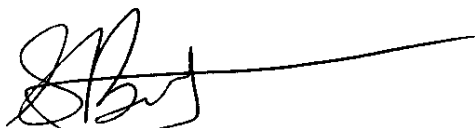
The notes on pages 7 to 13 are an integral part of the financial statements.

For the year ending 30 June 2017, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Cordium Consulting Limited (registered number 03788854) were approved by the board of directors and authorised for issue on 29 March 2018. They were signed on its behalf by:



S J J Burke
Director
29 March 2018

Cordium Consulting Limited

Statement of changes in equity For the year ended 30 June 2017

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2015	5,080	3,661,590	3,666,670
Profit for the year	-	2,914,712	2,914,712
Balance as at 30 June 2016	5,080	6,576,302	6,581,382

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2016	5,080	6,576,302	6,581,382
Profit for the year	-	3,096,863	3,096,863
Balance as at 30 June 2017	5,080	9,673,165	9,678,245

The notes on pages 7 to 13 are an integral part of these financial statements.

Cordium Consulting Limited

Notes to the financial statements For the year ended 30 June 2017

1. Accounting policies

General information

Cordium Consulting Limited is a private company limited by shares and is incorporated and domiciled in England. The company's registered office is at 130 Jermyn Street, London SW1Y 4UR. The Company's principal activity is stated in the Strategic Report.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention, except for derivative financial instruments classified at fair value through the profit and loss, and in accordance with applicable United Kingdom law and accounting standards.

The Company has taken advantage of the exemptions available within FRS102 (paragraph 1.12b and paragraph 33.1A) not to prepare a cash flow statement and not to disclose transactions entered into between two or more members of the Group, on the basis that all subsidiary undertakings party to the transactions are wholly owned by a member of the Group, whose financial statements are publicly available.

The company is exempt from the requirement to prepare group accounts as it is itself a wholly-owned subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Going concern

The Company is part of a Group which meets its day-to-day working capital requirements through its current cash balances and agreed banking facilities. The Group's forecasts and projections are completed after taking into account possible changes in trading performance and current economic uncertainty. They show that the Group should be able to operate within the level of its current cash balances and agreed banking facilities

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources and support to meet all future obligations and to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Company's accounting policies

The company makes a number of assessments which require judgement in preparing the accounts and can have a significant effect upon the financial statements. However due to the straight forward nature of the company's business, management does not believe that there are any judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Cordium Consulting Limited

Notes to the financial statements (continued) **For the year ended 30 June 2017**

Key accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates may by definition, differ from actual results. However due to the straight forward nature of the company's business, management does not believe that there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency (Sterling) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax. Revenue is recognised when the actual service is carried out where appropriate or when the income becomes contractually receivable. Where the provision of services is ahead of billing, the amounts are recorded as accrued income. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income. All revenue is derived from one class of business and supplied to one geographical segment, the United Kingdom.

Expenses

Interest receivable and interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income includes net foreign exchange gains

Interest income and interest payable are recognised in profit or loss as they accrue. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Employee Benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pension Costs

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

Tax on the profit or loss for the year comprises only current tax as there was no deferred tax during the year. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Cordium Consulting Limited

Notes to the financial statements (continued) **For the year ended 30 June 2017**

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Fixtures, fittings, tools and equipment 3 years

Computers 3 years

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Basic financial instruments

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest bearing borrowings classified as financial instruments

Interest-bearing borrowings include bank loans, overdrafts and loan notes. They are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Cordium Consulting Limited

Notes to the financial statements (continued) For the year ended 30 June 2017

2. Turnover and segment information

All revenue is generated through one class of business, supplied to one geographical market, the United Kingdom.

3. Interest payable and similar charges

	2017 £	2016 £
Interest payable and similar charges	2,228	4,152
	<u>2,228</u>	<u>4,152</u>

4. Expenses and auditors' remuneration

	2017 £	2016 £
This is stated after charging:		
- Group auditors' remuneration	-	20,160
	<u>-</u>	<u>20,160</u>

During 2016 the Group auditors' remuneration was allocated to several group companies, including the Company, and recognised in the profit and loss accounts of those entities. For 2017, the group audit fee was recognised wholly in Columbo BidCo Limited.

5. Staff costs and directors' remuneration

The average monthly number of employees (including executive directors) was:

	2017	2016
Consultant numbers	29	35
	<u>29</u>	<u>35</u>

	2017 £	2016 £
Their aggregate remuneration comprised:		
Wages and salaries	2,123,385	2,036,427
Social security costs	236,822	242,097
Other pension costs	105,105	111,848
	<u>2,465,312</u>	<u>2,390,372</u>

Cordium Consulting Limited

Notes to the financial statements (continued) For the year ended 30 June 2017

6. Directors' remuneration

Remuneration of the directors of the Group is set out in the consolidated statutory accounts of Columbo TopCo Limited. The Company considers that the remuneration of its other director has been provided under normal market conditions and therefore there is no requirement to disclose.

7. Tax on profit on ordinary activities

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017 £	2016 £
<i>Current tax:</i>		
Current tax on income for the year	-	-
Total tax	<u>-</u>	<u>-</u>

All tax charges are recognised in the profit for the year

	2017 £	2016 £
<i>Analysis of current tax recognised in profit and loss account</i>		
UK corporation tax	-	-
Total current tax recognised in profit and loss account	<u>-</u>	<u>-</u>

Reconciliation of effective tax rate

	2017 £	2016 £
Profit on ordinary activities before tax	3,096,863	2,914,712
Total tax expense	<u>-</u>	<u>-</u>
Tax (charge)/credit using the UK corporate tax rate of 19.75 % (2016: 20.00%)	(611,630)	(582,942)
Expenses not deductible for tax purposes	(51,542)	(5,208)
Unutilised tax losses	(2,271)	-
Group relief (surrendered)/claimed	665,443	588,150
Total tax expense included in profit or loss	<u>-</u>	<u>-</u>

Cordium Consulting Limited

Notes to the financial statements (continued) For the year ended 30 June 2017

8. Tangible assets

	Plant and machinery £	Leased assets £	Total £
Cost			
At 1 July 2016	188,312	65,189	253,501
Additions	-	-	-
Disposals	(170,920)	-	(170,920)
At 30 June 2017	17,392	65,189	82,581
Depreciation			
At 1 July 2016	183,855	65,189	249,044
Charge for the year	3,343	-	3,343
Disposals	(170,920)	-	(170,920)
At 30 June 2017	16,278	65,189	81,467
Net book value			
At 30 June 2017	1,114	-	1,114
At 30 June 2016	4,457	-	4,457

9. Debtors: amounts falling due within one year

	2017 £	2016 £
Trade debtors	808,562	549,610
Amounts owed from group undertakings	14,928,449	8,764,800
Other debtors	13,426	10,988
Prepayments and accrued income	97,781	114,485
	<u>15,848,218</u>	<u>9,439,883</u>

10. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	63,818	23,744
Amounts owed to group undertakings	5,395,416	2,410,368
Other taxation and social security	393,723	350,584
Other creditors	60,608	75,872
Accruals and deferred income	577,927	425,328
	<u>6,491,492</u>	<u>3,285,896</u>

Included within other creditors is a pension accrual of £9,605 (2016: £9,080).

Cordium Consulting Limited

Notes to the financial statements (continued) For the year ended 30 June 2017

11. Called-up share capital

	2017 £	2016 £
Called up share capital	5,080	5,080
	<u> </u>	<u> </u>

	2017		2016	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>50,800</u>	<u>5,080</u>	<u>50,800</u>	<u>5,080</u>

All shares are classified as equity. All of the ordinary shares carry voting rights of one vote per share and all were issued, allotted and fully paid on 30 June 2017.

12. Ultimate parent company, parent undertaking of large group and related party transactions

The immediate parent company is Cordium Consulting Group Limited.

The ultimate parent undertaking is Ares Capital Corporation by virtue of its indirect interest in European Capital SA SICAR which in turn has a majority equity interest in Columbo Top Co Limited at 30 June 2017.

Columbo Topco Limited's financial statements are the only and largest set of financial statements in which the Company is consolidated. Columbo Topco Limited is registered at 130 Jermyn Street, London SW1Y 4UR.

The Company has taken exemption from disclosing related party transactions with other wholly-owned members of the Group in accordance with FRS102 paragraph 33.1A; and from disclosing the total remuneration in respect of key management personnel in accordance with FRS102 paragraph 1.12E.

Any other related party transactions are deemed to be immaterial for disclosure.