Registered number: 04144405

THE CONSULTING CONSORTIUM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

COMPANY INFORMATION

Directors	M J Park J L Smith
Registered number	04144405
Registered office	6th Floor 10 Lower Thames Street London EC3R 6EN
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 25 Moorgate London EC2R 6AY

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Introduction

The directors present the strategic report for The Consulting Consortium Limited, 'TCC', for the year ended 30 June 2020.

Principal activities

The principal activities of the Company are the provision of both deep subject matter expertise and technology enabled services to regulated financial services businesses. The Company is predicated on the core belief that a healthy culture is the key connection between strong compliance and commercial success in financial services.

Business review

The Company has maintained its growth during the year and continues to invest in the research and development of innovative technology-based services to support expected future growth. As for most businesses, the last quarter of the financial year was dominated by the impact of COVID-19 on operations, clients and the macro-economic outlook. TCC was relatively well placed to both withstand the initial impact of remote working, and subsequently to continue to provide key support to its clients.

Existing workstreams continued and new opportunities presented themselves and the business was able to effectively adapt the delivery of those new opportunities. In April 2020, TCC announced that it had launched in Australia.

Future developments

The business will build on its strong credentials and will continue to develop further technology-enabled services to support its clients. This will likely involve R&D collaboration with both technology partners and clients. Having recently launched in Australia, the business anticipates sales growth in this geography.

Relationships

The Company recognises the value and impact of working with selective collaboration partners and suppliers, as demonstrated by the launch of High Performance Assurance (HPA) and Hemisphere services during the year, and by the decrease in creditor days to 36 vs 51 in the prior year.

Risks and uncertainties

The principal risks and source of uncertainty facing the Company is likely to remain the impact of the global COVID-19 pandemic. The directors regularly monitor risks and issues arising and their impact on staff and client well-being as well as financially on the business and continue to manage the business conservatively to maintain the long-term stability of the Company. The business does not expect to be directly affected by Brexit, and is managing its expansion into Australia prudently.

KPIs

The business saw year on year revenue growth of 48% (*2019: 54%*), driven by a combination of continued growth of core Advisory Services and Managed Services, together with some significant major remediation projects, supported by Specialist Resourcing. Year on year EBITDA growth of 33%, excluding the related company loan provision, (*2019: from a £0.1m EBITDA loss to £1.6m positive EBITDA*) was delivered with revenue growth, underpinned by gross margin and overhead cost discipline.

Financial risk management

The business operates robust risk management and governance frameworks both operationally and at board level, reflected in its external quality accreditations (ISO 9001, 27001). Details of the Company's financial instruments and its policies with regard to financial risk management are given in note 2.13 to the financial statements.

This report was approved by the board and signed on its behalf.

M J Park
Director

Date: 23 November 2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

Results and dividends

The loss for the year, after taxation, amounted to £575,199 *(2019: profit £966,996)*.

This loss was after recognition of £1,977,678 related company loan provision, before which the Company made a profit of £1,402,479.

No dividends were paid or proposed in the year (*2019: £Nil*).

Directors

The directors who served during the year were:

M J Park
J L Smith
J E Vinson (resigned 20 February 2020)

Subsequent events and future developments

Details of important events affecting the Company which have occurred since the end of the financial year are given in note 27 to the financial statements, and future developments are discussed in the Strategic Report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

M J Park
Director

Date: 23 November 2020

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

The directors are responsible for preparing the Strategic Report, the Directors' Report and the 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONSULTING CONSORTIUM LIMITED

Opinion

We have audited the financial statements of The Consulting Consortium Limited (the 'Company') for the year ended 30 June 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter - impact of COVID-19 on going concern

We draw attention to notes 2.4 and 27 of the financial statements, which describes the impact of COVID-19 on the Company. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chetan Mistry (Senior Statutory Auditor)

for and on behalf of
Nexia Smith & Williamson

Chartered Accountants
Statutory Auditor

25 Moorgate
London
EC2R 6AY

24 November 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 £	*2019* *£*
Turnover	4	**16,601,188**	*11,246,985*
Cost of sales		**(12,059,380)**	*(7,733,922)*
Gross profit		**4,541,808**	*3,513,063*
Administrative expenses		**(3,029,903)**	*(2,610,930)*
Provision against related company loan	6	**(1,977,678)**	*-*
Other operating income		**-**	*258,220*
Operating (loss)/profit	7	**(465,773)**	*1,160,353*
Interest receivable and similar income	11	**74**	*129*
Interest payable and expenses	12	**(3,925)**	*(2,950)*
(Loss)/profit before tax		**(469,624)**	*1,157,532*
Tax on (loss)/profit	13	**(105,575)**	*(190,536)*
(Loss)/profit for the financial year		**(575,199)**	*966,996*

There was no other comprehensive income for 2020 (*2019: £Nil*).

The notes on pages 11 to 26 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note		2020 £		*2019 £*
Fixed assets					
Intangible assets	14		**1,010,498**		*821,538*
Tangible assets	15		**58,905**		*73,695*
			1,069,403		*895,233*
Current assets					
Debtors: amounts falling due within one year	16	**3,985,141**		*3,854,053*	
Cash at bank and in hand	17	**190,682**		*398,878*	
		4,175,823		*4,252,931*	
Creditors: amounts falling due within one year	18	**(3,138,356)**		*(2,404,427)*	
Net current assets			**1,037,467**		*1,848,504*
Total assets less current liabilities			**2,106,870**		*2,743,737*
Provisions for liabilities					
Other provisions	20	**(69,072)**		*(130,740)*	
Net assets			**2,037,798**		*2,612,997*
Capital and reserves					
Called up share capital	21		**3,862**		*3,862*
Profit and loss account	22		**2,033,936**		*2,609,135*
Shareholders' funds			**2,037,798**		*2,612,997*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M J Park
Director

Date: 23 November 2020

The notes on pages 11 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2018	3,862	1,642,139	1,646,001
Comprehensive income for the year			
Profit for the year	-	966,996	966,996
Total comprehensive income for the year	-	966,996	966,996
At 1 July 2019	3,862	2,609,135	2,612,997
Comprehensive income for the year			
Loss for the year	-	(575,199)	(575,199)
Total comprehensive income for the year	-	(575,199)	(575,199)
At 30 June 2020	3,862	2,033,936	2,037,798

1. General information

The Consulting Consortium Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 04144405). The registered office address is 6th Floor, 10 Lower Thames Street, London, EC3R 6EN.

The Company's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Consulting Consortium Holdings Limited as at 30 June 2020 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis.

In preparing this assessment, the directors have considered the committed and uncommitted sales order book, the operational cost base of the business, and the additional liquidity made available to the Company by its participation in Government schemes launched in response to the COVID-19 pandemic, such as the deferral of VAT payments and the Coronavirus Business Interruption Loan Scheme. Subsequent to the balance sheet date, the Company successfully secured a CBILs loan – please see note 27.

Accordingly, the directors have carefully reviewed the future prospects of the Company and its future cash flows, including an assessment of the potential impact of the COVID-19 pandemic. The full impact of the COVID-19 pandemic on our business remains uncertain and as a result unquantifiable at this stage. Nevertheless, having assessed this the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

2.5 Revenue

Turnover comprises revenue recognised by the Company in respect of professional services supplied during the year, exclusive of value added tax and trade discounts. Within turnover there is a range of service offerings to clients, including consultancy services and other related services.

In line with applicable accounting standards, turnover relating to consultancy services is recognised in the accounting period in which the services are provided. This recognition is made by reference to when there is a right to consideration from the performance of contractual obligations.

2.6 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic life of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2. Accounting policies (continued)

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life of 3 years and are amortised using the straight-line method.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 20% - 50%
Fixtures & fittings	- 20%
Office equipment	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Employee benefits

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

In the current year, the directors have recognised a provision against the related company loan balance with Record Sure Limited by £1,977,678 having assessed its recoverability at the reporting date. Subsequently, a formal repayment agreement has been signed. The directors are comfortable that the carrying amount of that loan balance is fully recoverable.

2. Accounting policies (continued)

2.14 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

In the prior period, SME Research & Development tax credits that met the definition of a grant under section 24 of FRS 102 (Government Grants) were recognised in other operating income (*2019: £258,220*). In the current year, the tax credit does not meet the definition of a government grant and therefore has been credited against the total tax charge.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgments that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period.

Judgments and key sources of estimation uncertainty

In the process of applying accounting policies they key judgments and assumptions affecting estimates that have a significant risk of materially affecting the carrying amounts of assets or liabilities include:

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgment as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return. The financial instruments within the Statement of Financial Position are all considered to be basic financial instruments and have been accounted for in accordance with this classification.

Development expenditure

Development expenditure is capitalised in accordance with the following accounting policy: initial capitalisation of costs is based on management's judgment that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the assets and the expected period of benefits.

Research and Development tax credits

In 2019, Management's judgment was that it should be reported within other operating income as the tax credits were being utilised to obtain a cash payment, which is more akin to a grant, as defined under section 24 of FRS 102. In the current year, as the entity is now profit making for tax purposes, management have judged the presentation of the tax credit to be net against the tax charge as it will be used to reduce the tax payment.

Recovery of related company loan

After careful review, the directors consider that the Company will recover the full amount of £1,227,658 (2019: £1,468,821) due from Record Sure Limited, a related entity. This balance is included within amounts owed by related entities in note 16 and is partially offset by an amount of £Nil (2019: £343,259) included within amounts owed to related entities in note 18. Record Sure Limited is currently loss making and is in a net liability position, however a combination of recently won contracts and contracts reasonably expected to be won in the near future is expected to generate improved future net cash flows. A provision has been recognised as disclosed in Note 6.

4. Turnover

The whole of the turnover is attributable to the Company's principal activity.

All turnover arose within the United Kingdom.

5. Other operating income

	2020	2019
	£	£
Other operating income	-	258,220

The prior period other operating income related to R&D tax credits.

6. Provision against related company loan

	2020	2019
	£	£
Provision against amounts owed by related parties	1,977,678	-

7. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020	2019
	£	£
Intangible fixed assets amortisation	602,124	389,418
Tangible fixed assets depreciation	52,034	84,182
Other operating lease rentals	16,208	6,834

8. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,000	13,600

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent company.

9. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	*2019 £*
Wages and salaries	2,878,983	*2,772,648*
Social security costs	381,283	*360,883*
Cost of defined contribution scheme	181,070	*131,753*
	3,441,336	*3,265,284*

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	*2019 No.*
	55	*53*

10. Directors' remuneration

	2020 £	*2019 £*
Directors' emoluments	371,191	*339,356*
Company contributions to defined contribution pension schemes	4,605	*4,115*
	375,796	*343,471*

Details of the highest paid director have been given in the group accounts of the parent company.

11. Interest receivable

	2020 £	*2019 £*
Other interest receivable	74	*129*

12. Interest payable and similar expenses

	2020 £	*2019 £*
Bank interest payable	3,925	*2,950*

13. Taxation

	2020 £	*2019 £*
Corporation tax		
Current tax on profits for the year	**91,401**	*89,877*
Deferred tax		
Origination and reversal of timing differences	**106,439**	*56,496*
Adjustment in respect of prior periods	**(79,261)**	*44,163*
Effect of tax rate change on opening balance	**(13,004)**	*-*
Total deferred tax	**14,174**	*100,659*
Taxation on profit on ordinary activities	**105,575**	*190,536*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2019 - lower than)* the standard rate of corporation tax in the UK of 19% *(2019 - 19%)*. The differences are explained below:

	2020 £	*2019 £*
(Loss)/profit on ordinary activities before tax	**(469,624)**	*1,157,532*
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**(89,229)**	*219,931*
Effects of:		
Fixed asset differences	**67,596**	*18,121*
Provision against related company loan disallowed	**379,533**	*1,654*
Income not taxable for tax purposes	**(86,228)**	*(49,062)*
Other tax adjustments, reliefs and transfers	**-**	*(37,625)*
Adjustments to tax charge in respect of previous periods	**(89,877)**	*-*
Adjustments to tax charge in respect of previous periods - R&D	**18,725**	*-*
Adjustments to tax charge in respect of previous periods - deferred tax	**(79,261)**	*44,163*
Remeasurement of deferred tax for changes in tax rates	**(13,004)**	*(6,646)*
Group relief	**(2,680)**	*-*
Total tax charge for the year	**105,575**	*190,536*

13. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

14. Intangible assets

	Development costs £
Cost	
At 1 July 2019	**1,362,206**
Additions	**791,084**
At 30 June 2020	**2,153,290**
Amortisation	
At 1 July 2019	**540,668**
Charge for the year	**602,124**
At 30 June 2020	**1,142,792**
Net book value	
At 30 June 2020	**1,010,498**
At 30 June 2019	*821,538*

15. Tangible fixed assets

	Motor vehicles	Fixtures & fittings	Office equipment	Total
	£	£	£	£
Cost				
At 1 July 2019	**13,926**	**199,963**	**306,093**	**519,982**
Additions	**-**	**1,776**	**35,468**	**37,244**
Disposals	**(13,926)**	**(66,272)**	**(638)**	**(80,836)**
At 30 June 2020	**-**	**135,467**	**340,923**	**476,390**
Depreciation				
At 1 July 2019	**13,926**	**174,949**	**257,412**	**446,287**
Charge for the year	**-**	**13,382**	**38,652**	**52,034**
Disposals	**(13,926)**	**(66,272)**	**(638)**	**(80,836)**
At 30 June 2020	**-**	**122,059**	**295,426**	**417,485**
Net book value				
At 30 June 2020	**-**	**13,408**	**45,497**	**58,905**
At 30 June 2019	*-*	*25,014*	*48,681*	*73,695*

16. Debtors

	2020	2019
	£	£
Trade debtors	2,437,080	1,812,714
Amounts owed by group companies	100,668	6,902
Amounts owed by related entities	1,227,658	1,468,821
Other debtors	2,849	345
Prepayments and accrued income	199,784	364,874
Corporation tax repayable	-	169,121
Deferred taxation	17,102	31,276
	3,985,141	3,854,053

The company's invoice financing facility is secured against trade debtors (see note 18).

17. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	190,682	398,878

18. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,186,110	1,077,638
Amounts owed to related entities	-	343,259
Corporation tax	189,957	-
Other taxation and social security	1,175,039	605,553
Proceeds of factored debts	152,583	-
Other creditors	120,586	27,126
Accruals and deferred income	314,081	350,851
	3,138,356	2,404,427

The invoice financing facility amounting to £152,583 (*2019: £Nil*) is secured against trade debtors included within debtors (see note 16).

19. Deferred taxation

	2020 £	2019 £
At beginning of year	(31,276)	(131,935)
Movement charged to profit or loss	14,174	100,659
Deferred tax asset at end of year	(17,102)	(31,276)

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	4,727	5,783
Short-term timing differences	(21,829)	(3,394)
Tax losses carried forward and other deductions	-	(33,665)
	(17,102)	(31,276)

20. Provisions

	Dilapidation provision £	PAYE provision £	Total £
At 1 July 2019	53,219	77,521	130,740
Charged to profit or loss	15,853	(77,521)	(61,668)
At 30 June 2020	69,072	-	69,072

The provision above relates to dilapidations in respect of two of the Company's leases.

The PAYE provision related to amounts potentially payable on company cars.

21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
386,191 Ordinary shares of £0.01 each	3,862	3,862

22. Reserves

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

23. Share-based payments

The Group which the Company is consolidated into, The Consulting Consortium Holdings Limited ("the Group"), operates an equity-settled share-based payment scheme for key employees of the Company. The options are granted over issued share in The Consulting Consortium Holdings Limited and can only be exercised at the point of sale of the business. The options over the C ordinary shares will expire if the share options issued in Record Sure Limited, a company related by virtue of common control, are exercised.

During 2018, the Group granted 605 options over the C Ordinary Shares at an exercise price of £27.10 per share, and 12,720 options over the Ordinary Shares at an exercise price of £0.01 per share.

During 2019, the Group granted 95 options over the C Ordinary Shares at an exercise price of £32.99 per share, and 1,990 options over the Ordinary Shares at an exercise price of £0.01 per share.

151 of the C Ordinary Shares and 3,180 of the Ordinary Shares lapsed during the current year when an employee left the Group.

The Company did not recognise an expense related to equity-settled share-based payment transactions in the year (*2019: £Nil*), as the directors believe the possibility for the criteria for these share options to materialise, being a sale of the business, is remote.

24. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £181,070 (*2019: £131,328*). Contributions totalling £22,445 (*2019: £14,174*) were payable to the fund at the reporting date.

25. Commitments under operating leases

At 30 June 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	*2019*
	£	*£*
Not later than 1 year	**264,260**	*378,204*
Later than 1 year and not later than 5 years	**214,843**	*657,241*
	479,103	*1,035,445*

26. Related party transactions

Group transactions

The Company has taken the exemption available under FRS 102 Section 33.1A from disclosing transactions with the ultimate parent company and other wholly owned subsidiaries with the Group.

Other related party transactions

The Company is a related party of Record Sure Limited by virtue of common control. The Company and Record Sure Limited provide services to each other for which management charges are levied.

Expenditure recharged by each company for services provided to each company is invoiced at an arms-length basis:

	2020 £	*2019 £*
Services provided by the Company to Record Sure	**935,693**	*815,374*
Services provided by Record Sure to the Company	**(180,948)**	*(716,963)*
Payments made by the Company on behalf of Record Sure	**1,508,591**	*1,202,000*

At the year end, Record Sure was owed £Nil (*2019: £343,259*) by the Company.

At the year end, Record Sure had an outstanding loan balance due to the Company of £1,227,668 (*2019: £1,468,821*).

27. Post balance sheet events

Shortly after the year end, the Company secured and drew down on a secured term loan of £3m under the Coronavirus Business Interruption Loan Scheme (CBILS).

On 1 July 2020, an agreement was reached with Record Sure Limited, a related party, in relation to the repayment of intercompany balances owing to the Company totalling £3,205,336. Under the terms of that agreement a further £750,000 was advanced. In addition, £1,977,668 of prior year outstanding balances were fully provided against, see note 6. The remaining balance is repayable annually on agreed terms over 5 years. Interest of 3% over the Lloyds Bank base rate will apply to the outstanding balance.

The Chairman, Paul Lester, stepped down from the Board on 31 July 2020.

28. Controlling party

The immediate and ultimate parent undertaking is The Consulting Consortium Holdings Limited, a company registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ending 30 June 2020 have been drawn up, is that headed by The Consulting Consortium Holdings Limited. Copies of the group accounts are available from Companies House.

The ultimate controlling party is J L Smith, by virtue of her shareholding and directorship in the ultimate parent undertaking.

29. Subsidiary undertakings

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
TCC Associates Limited (formerly Swaines Limited)	Dormant	Ordinary	100%
The Consulting Consortium Australia PTY Limited	Dormant	Ordinary	100%

The registered office of TCC Associates Limited (formerly Swaines Limited) is 6th Floor, 10 Lower Thames Street, London, EC3R 6EN.

The registered office of The Consulting Consortium Australia PTY Limited is 7 Winton St, Warrawee NSW, 2074.