

Company Registration No. 04599477 (England and Wales)

INTERIM PARTNERS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



INTERIM PARTNERS LIMITED

COMPANY INFORMATION

Directors	DJ Baird AJL McIntee
Company number	04599477
Registered office	One Angel Court 15 Floor London EC2R 7HJ
Auditor	BHP LLP New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB
Business address	The Exchange Station Parade Harrogate North Yorkshire HG1 1TS

INTERIM PARTNERS LIMITED

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INTERIM PARTNERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

Business model, review of the business and future developments

Interim Partners is a market leading global provider of senior interim executives. The business helps organisations going through change and transformation by introducing them to exceptional interim executives who materially influence their performance.

The core strategy of the business is to:

- Deliver the best service to our clients - through recruiting high performing and experienced consultants who build long-term relationships
- Make a difference through technology - using the "Return on Interim" technology to allow clients to quantify the benefits their interim manager deliver

The company continued to grow and be profitable in 2018, investing in new consultants and sectors to help drive long-term growth to the business alongside continued investment in systems. Interim Partners was also ranked number one in the Institute of Interim Management's annual Interim Management Survey in 2017 and 2018.

The outlook for 2019 is positive, with existing new consultants increasing their fee income run rates to drive growth and a continued strategy to invest in new consultants to drive future growth in existing and new market sectors.

People

Interim Partners has an experienced and high-performing team, with five of its consultants placing in the top 20 Interim consultants in country, the the Institute of Interim Managers.

Investment in our people was a key focus for the year, with efforts on talent and succession planning, reward and recognition, work-life balance and corporate & social responsibility all contributing to the Company achieving the investors in People Gold award status until 2019.

Principal risks and uncertainties

In the process of applying the Company's accounting policies, management considers that the following factors are the key risks of the business.

Bad debt

Some of the Company's clients require interim expertise in a turnaround or distressed situation, giving rise to the potential for bad debts. The Company mitigates this through credit checks and tighter payment term arrangements, including upfront and on account payments.

Cash flow

The Company has no interest bearing loans and the Company's income and operating cash flows are subsequently independent of change in market interest rates.

Dependence on key personnel

The future success of the Company is dependent on the continued service of senior management and key personnel. The loss of service of the directors and other key personnel could have a material adverse impact on the business. However, the business is not reliant on any one key individual.

Competition

The directors believe the Company is well position in its chosen markets. Whilst the Company will seek to continue to improve its competitive position, the actions of current or indeed potential competitors may adversely affect the Company's business.

Strength of key markets

The market for interim managers is reasonable at present. It is through difficult to predict how this market will move in the foreseeable future. Although the Company continues to trade successfully, a further downturn in the wider economy could have a material adverse effect on the business.

INTERIM PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Financial review and KPIS

The key performance indicators are:

	2018	2017
	£	£
Revenue (£000s)	22,745	18,222

This is the standard accounting revenue measure and indicates the trading performance.

Gross Profit (£000s)	5,381	4,363
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Gross profit is the Company's measure of net fee income from client assignments, and is the profit on an assignment after incurring the costs of the interim candidates placed with clients.

EBITDA (£000s)	649	257
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EBITDA is a measure of operating profit, adjusted for depreciation and amortisation. Growth in EBITDA reflects an increase in the long-term value of the business and the quality of cost control.

Year-on-year revenue increase of 25% is driven by investment in new consultants in the previous year, who are starting to grow their revenue base. Fee income (gross profit) grew at a slower rate of 23% mainly due to mix of business between the private and public sector.

On behalf of the board



DJ Baird

Director

30/07/19

INTERIM PARTNERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of interim executive recruitment.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

DJ Baird

AJL McIntee

R Barzegar

(Resigned 31 May 2018)

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £109,881. The directors do not recommend payment of a final dividend.

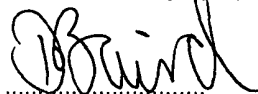
Auditor

BHP LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



DJ Baird

Director

Date: 30/07/19.....

INTERIM PARTNERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

INTERIM PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF INTERIM PARTNERS LIMITED

Opinion

We have audited the financial statements of Interim Partners Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and 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 31 December 2018 and of its profit 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

INTERIM PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF INTERIM PARTNERS LIMITED

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 and 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, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INTERIM PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF INTERIM PARTNERS LIMITED

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Nigel Bullas (Senior Statutory Auditor)
for and on behalf of BHP LLP, Statutory Auditor

BHP LLP, Statutory Auditor
New Chartford House
Centurion Way
Cleckheaton
Bradford
West Yorkshire
BD19 3QB

1 August 2019

INTERIM PARTNERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£	as restated £
Turnover	3	22,744,688	18,222,023
Cost of sales		(17,363,588)	(13,859,389)
Gross profit		5,381,100	4,362,634
Administrative expenses		(4,839,594)	(4,200,179)
Operating profit	4	541,506	162,455
Interest receivable and similar income	7	153	482
Interest payable and similar expenses	8	(61,978)	(30,581)
Profit before taxation		479,681	132,356
Tax on profit	9	(115,726)	(73,164)
Profit for the financial year		363,955	59,192

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

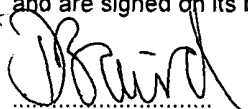
INTERIM PARTNERS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		799,390		173,111
Current assets					
Debtors	12	5,537,502		5,116,701	
Cash at bank and in hand		13,799		165,242	
		<u>5,551,301</u>		<u>5,281,943</u>	
Creditors: amounts falling due within one year	13	<u>(4,700,785)</u>		<u>(4,086,514)</u>	
Net current assets			850,516		1,195,429
Total assets less current liabilities			<u>1,649,906</u>		<u>1,368,540</u>
Provisions for liabilities	15		(35,500)		(8,208)
Net assets			<u>1,614,406</u>		<u>1,360,332</u>
Capital and reserves					
Called up share capital	18		1,000		1,000
Share premium account			6,141		6,141
Profit and loss reserves			<u>1,607,265</u>		<u>1,353,191</u>
Total equity			<u>1,614,406</u>		<u>1,360,332</u>

The financial statements were approved by the board of directors and authorised for issue on 30/07/19 and are signed on its behalf by:



DJ Baird
Director

Company Registration No. 04599477

INTERIM PARTNERS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2017:					
Balance at 1 January 2017		1,000	6,141	1,589,101	1,596,242
Year ended 31 December 2017:					
Profit and total comprehensive income for the year		-	-	59,192	59,192
Dividends	10	-	-	(295,102)	(295,102)
Balance at 31 December 2017		1,000	6,141	1,353,191	1,360,332
Year ended 31 December 2018:					
Profit and total comprehensive income for the year		-	-	363,955	363,955
Dividends	10	-	-	(109,881)	(109,881)
Balance at 31 December 2018		1,000	6,141	1,607,265	1,614,406

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Interim Partners Limited is a private company limited by shares incorporated in England and Wales. The registered office is One Angel Court, 15 Floor, London, EC2R 7HJ.

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.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Interim Partners Limited is a wholly owned subsidiary of New Street (Group) Limited and the results of Interim Partners Limited are included in the consolidated financial statements of New Street (Group) Limited which are available from One Angel Court, 15 Floor, London, EC2R 7HJ.

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 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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:

Leasehold improvement	Over the life of the lease
Fixtures and fittings	25% on cost
Equipment	25% on cost

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 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.

1.6 Cash at bank and in hand

Cash at bank and in hand 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.

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.7 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 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.

1.9 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.

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 Retirement benefits

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

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 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 are included in the profit and loss account for the period.

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.14 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

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.

3 Turnover and other revenue

	2018	2017
	£	£
Other significant revenue		
Interest income	153	482

4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	1,028	(447)
Fees payable to the company's auditor for the audit of the company's financial statements	7,500	13,500
Depreciation of owned tangible fixed assets	107,424	94,098
Loss on disposal of tangible fixed assets	45,160	-
Operating lease charges	458,924	415,281

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Employees

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

2018 Number	2017 Number
43	35

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,919,712	2,939,861
Social security costs	326,037	419,275
Pension costs	71,343	55,399
	<u>3,317,092</u>	<u>3,414,535</u>

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	13,493	676,167
Company pension contributions to defined contribution schemes	12,750	17,964
	<u>26,243</u>	<u>694,131</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	n/a	122,862
Company pension contributions to defined contribution schemes	n/a	3,494

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	153	199
Other interest income	-	283
	<u>153</u>	<u>482</u>
Total income	<u>153</u>	<u>482</u>

8 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and loans	61,978	30,581
	<u>61,978</u>	<u>30,581</u>

9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	88,270	153,739
Adjustments in respect of prior periods	164	-
UK income tax	-	(73,417)
	<u>88,434</u>	<u>80,322</u>
Total current tax	<u>88,434</u>	<u>80,322</u>
Deferred tax		
Origination and reversal of timing differences	27,292	(7,158)
	<u>27,292</u>	<u>(7,158)</u>
Total tax charge	<u>115,726</u>	<u>73,164</u>

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	479,681	132,356
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	91,139	25,479
Tax effect of expenses that are not deductible in determining taxable profit	15,986	4,773
Adjustments in respect of prior years	164	-
Other non-reversing timing differences	10,422	-
Expenses not deductible for tax purposes - fixed assets	-	1,933
Tax rate changes on opening and closing deferred tax balances	(1,985)	946
UK income tax	-	(73,417)
Prior year adjustment	-	113,450
Taxation charge for the year	115,726	73,164

10 Dividends

	2018 £	2017 £
Interim paid	109,881	295,102

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Tangible fixed assets

	Leasehold improvement	Fixtures and fittings	Equipment	Total
	£	£	£	£
Cost				
At 1 January 2018	57,907	207,031	119,968	384,906
Additions	496,686	149,192	132,985	778,863
Disposals	-	(195,006)	(20,710)	(215,716)
At 31 December 2018	554,593	161,217	232,243	948,053
Depreciation and impairment				
At 1 January 2018	57,907	104,824	49,064	211,795
Depreciation charged in the year	8,391	63,284	35,749	107,424
Eliminated in respect of disposals	-	(154,174)	(16,382)	(170,556)
At 31 December 2018	66,298	13,934	68,431	148,663
Carrying amount				
At 31 December 2018	488,295	147,283	163,812	799,390
At 31 December 2017	-	102,207	70,904	173,111

12 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	2,870,675	2,395,563
Amounts owed by group undertakings	1,963,092	1,898,736
Other debtors	703,735	822,402
	5,537,502	5,116,701

13 Creditors: amounts falling due within one year

	Notes	2018	2017
		£	£
Bank loans and overdrafts	14	580,841	768,000
Trade creditors		2,016,896	1,650,071
Corporation tax		88,270	156,338
Other taxation and social security		612,260	676,632
Other creditors		1,402,518	835,473
		4,700,785	4,086,514

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

14 Loans and overdrafts

	2018 £	2017 £
Bank overdrafts	580,841	768,000
Payable within one year	580,841	768,000

The long-term loans are secured by fixed charges over property or undertakings of the company.

15 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	16	35,500	8,208

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Fixed asset timing differences	35,500	13,517
Short term timing differences	-	(5,309)
	35,500	8,208
Movements in the year:		2018 £
Liability at 1 January 2018		8,208
Charge to profit or loss		27,292
Liability at 31 December 2018		35,500

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

17 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	71,343	55,399

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
900 Ordinary shares of £1 each	900	900
100 Ordinary class A shares of £1 each	100	100
	1,000	1,000

The Ordinary shares and the Ordinary A shares rank parri passu in all respects other than the right to receive dividends from the company. The holders of the Ordinary shares are entitled to dividends in priority to the holders of the Ordinary A shares.

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	157,268	534,214
Between two and five years	2,711,025	455,633
In over five years	3,103,819	-
	5,972,112	989,847

20 Ultimate controlling party

New Street (Group) Limited is the ultimate parent company, incorporated in the UK and is controlled by, the director, DJ Baird.

The company has taken advantage of the exemptions in FRS 102 and not disclosed transactions with entities that are 100% subsidiaries of New Street (Group) Limited.

INTERIM PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

21 Prior period adjustment

During the year, the company received confirmation from HMRC of the settlement figure for the Employment Benefit Trust which was set up in 2009. This has been dealt with by way of a prior year adjustment and the comparative figures have been restated in respect of a reduction to profit and equity of £515,936 as follows:

Reconciliation of changes in equity

	31 December 2017 £
Equity as previously reported	1,876,268
Adjustments to prior year	
PAYE tax	(448,977)
NIC	(140,659)
Corporation tax credit interest	283
Inheritance tax	(37,644)
Tax relief on PAYE tax	111,061
Equity as adjusted	<u>1,360,332</u>

Reconciliation of changes in profit for the previous financial period

	2017 £
Profit as previously reported	575,128
Adjustments to prior year	
PAYE tax	(448,977)
NIC	(140,659)
Corporation tax credit interest	283
Inheritance tax	(37,644)
Tax relief on PAYE tax	111,061
Profit as adjusted	<u>59,192</u>