

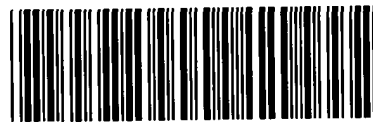
Interim Partners Limited

**Directors' report and financial
statements**

Registered number 04599477

31 December 2017

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Officers and professional advisors

The board of directors

DJ Baird
AJL McIntee

Business address

The Exchange
Station Parade
Harrogate
North Yorkshire
HG1 1TS

Registered office

5 New Street Square
London
EC4A 3BF

Auditor

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Strategic Report

The directors present their strategic report for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES OF THE BUSINESS

Interim Partners Limited trades in the area of interim executive recruitment.

BUSINESS MODEL, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Interim Partners is a market leading global provider of senior interim executives. The business helps complex 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 delivers

The Company continued to grow and be profitable in 2017, 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 2018 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 the country, by 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.

FINANCIAL REVIEW AND KPIS

The key performance indicators are:

	2017	2016
Revenue (£000's)	18,222	15,878

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

Gross Profit (£000's)	4,363	4,062
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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 (£000's)	846	237
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EBITDA is a measure of operating profit, adjusted for depreciation and amortisation. Growth in EBITDA reflects an increase in long-term value of the business and the quality of cost control.

Strategic Report *(continued)*

Year-on-year revenue increase of 15% 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 7% mainly due to the less strategic focus on permanent fee revenue, which attracts higher margin.

EBITDA increase to £846k partly reflects a change in intercompany recharge policy to sister company Brightpool Limited, to more accurately reflect the overhead cost allocation between businesses, alongside other cost reductions.

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.

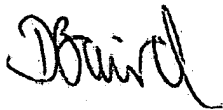
Competition

The directors believe the Company is well positioned 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 though 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.

Signed on behalf of the Board



DJ Baird

Director

5 New Street Square
London
EC4A 3BF

27 September 2018

Directors' report

The directors have pleasure in presenting their report and financial statements of the company for the year ended 31 December 2017.

Directors

The directors who served during the year were as follows:

DJ Baird
AJL McIntee
R Barzegar (resigned 31st May 2018)

Dividends

The directors recommend the payment of a dividend for the year of £295,102 (2016: £11,200).

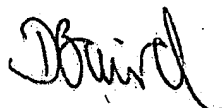
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



DJ Baird
Director

5 New Street Square
London
EC4A 3BF

27 September 2018

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

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 they have elected to prepare the 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 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Interim Partners Limited

Opinion

We have audited the financial statements of Interim Partners Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and loss account, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Interim Partners Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

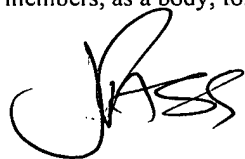
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Johnathan Pass (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Sovereign Square
Neville Street
Leeds
LS1 4DW

28/9/2018

Profit and loss account
for the year ended 31 December 2017

	<i>Note</i>	2017 £	2016 £
Turnover		18,222,023	15,878,308
Cost of sales		(13,859,389)	(11,816,552)
Gross profit		4,362,634	4,061,756
Administrative expenses		(3,610,543)	(3,886,002)
Operating profit	2	752,091	175,754
Interest receivable		199	1,096
Interest payable and similar charges		(30,581)	(4,904)
Profit on ordinary activities before taxation		721,709	171,946
Tax on profit on ordinary activities	6	(146,581)	(72,983)
Profit for the financial year		575,128	98,963

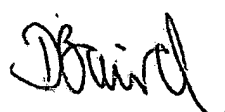
All the results are from continuing operations.

The company has no other comprehensive income.

Balance sheet
as at 31 December 2017

	<i>Note</i>	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	7		173,111		211,391
Current assets					
Debtors	8	5,116,701		3,935,487	
Cash at bank and in hand		165,242		120,594	
		<u>5,281,943</u>		<u>4,056,081</u>	
Creditors: amounts falling due within one year	9	<u>(3,570,578)</u>		<u>(2,655,864)</u>	
Net current assets			1,711,365		1,400,217
Total assets less current liabilities			<u>1,884,476</u>		<u>1,611,608</u>
Provisions for liabilities	10		(8,208)		(15,366)
Net assets			<u>1,876,268</u>		<u>1,596,242</u>
Capital and reserves					
Called up share capital	11		1,000		1,000
Share premium account			6,141		6,141
Profit and loss account			1,869,127		1,589,101
Shareholders' funds			<u>1,876,268</u>		<u>1,596,242</u>

These financial statements were approved by the board of directors on 27 September 2018 and were signed on its behalf by:



DJ Baird
Director

Company statement of changes in equity
At 31 December 2017

	Share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 1 January 2016	1,000	6,141	1,501,338	1,508,479
Total comprehensive income for the period				
Profit or loss	-	-	98,963	98,963
Dividends	-	-	(11,200)	(11,200)
Total contributions by and distribution to owners	-	-	87,763	87,763
Balance at 31 December 2016	1,000	6,141	1,589,101	1,596,242
Balance at 1 January 2017	1,000	6,141	1,589,101	1,596,242
Total comprehensive income for the period				
Profit or loss	-	-	575,128	575,128
Dividends	-	-	(295,102)	(295,102)
Total contributions by and distributions to owners	-	-	280,026	280,026
Balance at 31 December 2017	1,000	6,141	1,869,127	1,876,268

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation to be used for subsidiaries

Interim Partners Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

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*") as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, New Street (Group) Limited includes the Company in its consolidated financial statements. The consolidated financial statements of New Street (Group) Limited are available to the public and may be obtained from 5 New Street Square, London, EC4A 3BF. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 14.

Going concern

The directors believe that the Company has adequate resources to continue in operational exercise for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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:

- (a) 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
- (b) 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.

Notes (continued)

1 Accounting policies (continued)

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. 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, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

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.

Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year.

Turnover includes commissions and salary costs.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. 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.

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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. 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. Deferred tax balances are not discounted.

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.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value; of tangible fixed assets by instalments over their estimated useful economic life as follows:

Leasehold improvements	- Over the life of the lease
Fixtures and fittings	- 25% on cost
Office equipment	- 25% on cost

Operating lease agreement

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pensions

The company makes pension contributions into the Personal Private Pension Plans for certain employees. Contributions to these schemes are set against profits as incurred. The schemes and these assets are held by independent managers.

Dividends on shares presented within shareholder's funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they have been appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Operating profit

Operating profit is stated after charging:

	2017 £	2016 £
Depreciation of owned fixed assets	94,098	61,400
Operating lease rentals for land and buildings	415,281	335,605
Foreign exchange differences	(447)	(80,387)
Auditor's fees	13,500	5,000
Taxation fees	1,440	1,900
	<u> </u>	<u> </u>

Notes (continued)

3 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2017 £	2016 £
Directors' remuneration	227,190	184,947
Value of company pension contributions to money purchase schemes	17,964	15,000
	<u>245,154</u>	<u>199,947</u>

The highest paid director received £122,862 and £3,494 pension contributions.

The number of directors on whose behalf the company made pension contributions was as follow:

	2017 Number	2016 Number
Money purchase schemes	<u>3</u>	<u>2</u>

4 Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2017 Number	2016 Number
Number of staff	<u>35</u>	<u>40</u>

The aggregate payroll costs of the above were:

Wages and salaries	2,427,848	2,524,627
Social security costs	278,616	285,620
Other payroll costs	55,399	21,798
	<u>2,761,863</u>	<u>2,832,045</u>

There were no pension contributions outstanding at year end.

Notes (continued)

5 Dividends

The aggregate amount of dividends paid comprises:

	2017 £	2016 £
Dividend approved and paid in the year	295,102	11,200

6 Taxation

Analysis of charge in period

	2017 £	2016 £
<i>UK corporation tax</i>		
Current tax on income for the period	153,739	37,172
Adjustments in respect of prior periods	-	5,077
Total current tax	153,739	42,249
<i>Deferred tax (see note 10)</i>		
Origination/reversal of timing differences	(7,158)	30,734
Adjustment in respect of previous years	-	-
Effect of tax rate change on opening balance	-	-
Tax on profit on ordinary activities	146,581	72,983

Factors affecting the tax charge for the current period

The current tax charge for the period is different to the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £	2016 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	721,709	171,946
Current tax at 19.25% (2016: 20%)	138,904	34,389

Effects of:

Expenses not deductible for tax purposes – fixed assets	1,933	16,406
Expenses not deductible for tax purposes	4,798	21,531
Tax rate changes on opening and closing deferred tax balances	946	(4,420)
Adjustments in respect of prior years	-	5,077
Total tax charge (see above)	146,581	72,983

Factors that may affect future current and total tax charges

Please note that from 1 April 2015, the main rate of corporation tax was reduced to 20%. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Any deferred tax at 31 December 2017 has been calculated based on the rate of 17% being the rate substantively enacted at the balance sheet date.

Notes (continued)

7 Tangible fixed assets

	Leasehold Improvements £	Fixtures and fittings £	Equipment £	Total £
<i>Cost</i>				
At 1 January 2017	57,907	203,460	67,721	329,088
Additions	-	3,571	52,247	55,818
Disposals	-	-	-	-
At 31 December 2017	57,907	207,031	119,968	384,906
<i>Depreciation</i>				
At 1 January 2017	57,907	39,020	20,770	117,697
Charge for the year	-	65,804	28,294	94,098
Eliminated on Disposals	-	-	-	-
At 31 December 2017	57,907	104,824	49,064	211,795
<i>Net book value</i>				
At 31 December 2017	-	102,207	70,904	173,111
At 31 December 2016	-	164,440	46,951	211,391

8 Debtors

	2017 £	2016 £
Trade debtors	2,395,563	1,908,234
Other debtors	822,402	632,102
Amounts due from Brightpool Limited	492,183	68,360
Amounts due from New Street (Group) Limited	1,406,553	1,326,791
	<u>5,116,701</u>	<u>3,935,487</u>

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Overdraft	768,000	-
Trade creditors	1,650,071	1,504,083
Corporation tax	156,338	39,813
Other taxation and social security	160,696	96,149
Other creditors	835,473	1,015,819
	<u>3,570,578</u>	<u>2,655,864</u>

Notes (continued)

10 Deferred taxation

	2017 £	2016 £
At beginning of year	15,366	(15,368)
Charge/(Credit) to profit and loss account in the year	(7,158)	30,734
At end of year	<u>8,208</u>	<u>15,366</u>

The elements of deferred taxation are set out below:

	2017 £	2016 £
Fixed asset timing differences	13,517	17,473
Short term timing differences	(5,309)	(2,107)
Deferred tax (asset)/liability	<u>8,208</u>	<u>15,366</u>

11 Share capital

	2017 £	2016 £
<i>Allotted called up and fully paid</i>		
900 ordinary shares of £1 each	900	900
100 ordinary class A shares of £1 each	100	100
	<u>1,000</u>	<u>1,000</u>

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 receive dividends in priority to the holders of the A Ordinary Shares.

Notes (continued)

12 Commitments under operating leases

At 31 December 2017 the company had aggregate annual commitments under non-cancellable operating leases as set out below:

	2017 £	2016 £
Operating leases which expire:		
Within one year	534,214	514,504
Within two to five years	455,633	693,973
After more than five years	-	-
	<u>989,847</u>	<u>1,208,477</u>

During the year £415,281 was recognised as an expense in the profit or loss accounts in the respect of operating leases.

13 Related party disclosures

Controlling entity

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

Related part transactions

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.

14 Accounting estimates and judgements

Key sources of estimation uncertainty

The Company believes that the areas of estimation uncertainty which affect the financial statements are bad debt provision.

- The carrying value of the bad debt provision is £70,537 and is based on a specific provision against certain aged debtors. This is reviewed on a monthly basis and adjusted as necessary.

Critical accounting judgements in applying the Company's accounting policies

The Company believes that there are no critical accounting judgements applied in the Company's accounting policies.