Brightpool Limited

Directors' report and financial statements

Registered number 07111550

31 December 2015

Contents

Officers and professional advisors

The board of directors

DJ Baird

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 2015.

Principal activities

The principal activity of the company is that of the placement of temporary and permanent staff within the financial services sector.

Business model

Brightpool specialises in building talent pools that can be swiftly deployed into large scale contingent, FTC and permanent workforce solutions.

Key performance indicators

The key performance indicators used by the company are gross profit and operating profit. These are shown below:

£000s	2015	2014
Gross Profit	1,428	1,639
Operating Profit	35	304

Performance indicators are discussed further and are disclosed in the figures which show the performance of the company during the year.

Business review and results

During 2015 the Business saw the end of one major contract, and did not convert the next big contract until later in the year, which saw a resultant drop-off in gross profit in the year compared to 2014. Tight control over fixed costs saw the Business maintain its profitability whilst setting the business up for significant growth in 2016.

Principal risks and uncertainties

In the process of applying the Company's accounting policies, which are described below, management considers that judgements in relation to revenue recognition and bad debt expense have the most significant effect on the amounts recognised in the financial statements. These are also the key sources of uncertainty and are arrived at through specific analysis and historical experience.

Strategic Report *(continued)*

Financial Risk Management

Financial Risk Factors

The Company's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. The Company does not use derivative financial instruments to hedge risk exposures.

a) **Market risk**

- **Foreign exchange risk**

  The principal foreign exchange risk is in the US Dollar, Euro and Qatari Riyal. Foreign exchange risk arises from future commercial transactions.

  The Company seeks to minimise its exposure to foreign exchange risk and all cash balances in foreign currency that are not required for short term working capital monetary needs are converted into pounds.

- **Cash flow**
  The company has no interest bearing loans and the Company's income and operating cashflows are subsequently independent of change in market interest rates.

b) **Operational risks**

- **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 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.

Future developments

Looking forward to the next financial period, it is the Directors' intention to continue with our growth strategy, hiring a range of fee earners into key sectors. This is already evident with significant projects in 2016 already won that will grow gross profit in 2016 and beyond.

By order of the Board

DJ Baird
Director

6 New Street Square
London
EC4A 3BF
27 September 2016

Director's report

The directors have pleasure in presenting their report and financial statements of the company for the year ended 31 December 2015.

Directors

The directors who served during the year were as follows:

Mr DJ Baird

Dividends

The dividends paid in the year amounted to £nil *(2014: £nil)*.

Disclosure of information to auditors

The directors who held office at the date of approval of this director's 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

6 New Street Square
London
EC4A 3BF

27 September 2016

Statement of director's responsibilities in respect of the Strategic Report, the Director's Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Director's 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Brightpool Limited

We have audited the financial statements of Brightpool Limited for the year ended 31 December 2015 as set out on pages 8 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Director's Responsibilities 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditor's report to the members of Brightpool Limited *(continued)*

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

J Pass

Johnathan Pass (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Sovereign Square
Neville Street
Leeds
LS1 4DW

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Profit and loss account
for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover		**8,709,687**	9,418,815
Cost of sales		**(7,281,472)**	(7,779,851)
Gross profit		**1,428,215**	1,638,964
Administrative expenses		**(1,393,392)**	(1,334,995)
Operating profit	2	**34,823**	303,969
Interest receivable and similar charges		**4**	1,934
Interest payable and similar charges		**(455)**	-
Profit on ordinary activities before taxation		**34,372**	305,903
Tax on profit on ordinary activities	5	**(7,916)**	(65,078)
Profit for the financial year		**26,456**	240,825

All the results are from continuing operations.

The company has no other comprehensive income

Balance sheet
as at 31 December 2015

	Note	2015		2014	
		£	£	£	£
Current assets					
Debtors	6	**1,081,161**		1,341,465	
Cash at bank and in hand		**434,802**		91,030	
		1,515,963		1,432,495	
Creditors: amounts falling due within one year	7	**(584,861)**		(527,849)	
Net curent assets			**931,102**		904,646
Total assets less current liabilities			**931,102**		904,646
Provisions			**-**		-
Net assets			**931,102**		904,646
Capital and reserves					
Called up share capital	9		**1**		1
Profit and loss account			**931,101**		904,645
Shareholders' funds			**931,102**		904,646

These financial statements were approved by the board of directors on 27 September 2016 and were signed on its behalf by:

DJ Baird

DJ Baird
Director

Statement of changes in equity
for the period 31 December 2015

	Share capital £	Share premium £	Merger reserve £	Profit and loss account £	Total equity £
Balance at 1 January 2014	**1**	-	-	**663,818**	**663,819**
Total comprehensive income for the period					
Profit or loss	-	-	-	240,827	240,827
Dividends	-	-	-	-	-
Total contributions by and distribution to owners	1	-	-	904,645	904,646
Balance at 31 December 2014	1	-	-	904,645	904,646
Balance at 1 January 2015	1	-	-	904,645	904,646
Total comprehensive income for the period					
Profit or loss	-	-	-	26,456	26,456
Dividends	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	26,456	26,456
Balance at 31 December 2015	1	-	-	931,101	931,102

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

Brightpool 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 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

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 6 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 11.

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. All turnover arose in the UK.

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 is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

1 Accounting policies *(continued)*

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.

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:

	2015	2014
	£	£
Auditor's fees	**5,000**	5,000
Taxation fees	**260**	260

3 Directors' remuneration

Directors emoluments equalled £nil in the year *(2014: £nil)*

4 Particulars of employees

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

	2015	2014
	No	No
Number of administrative staff	**10**	11
The aggregate payroll costs of the above were:		
Wages and salaries	**523,322**	452,178
Social security costs	**59,405**	52,288
	582,727	504,466

Notes *(continued)*

5 Taxation

Analysis of charge in period

	2015	2014
	£	£
UK corporation tax		
Current tax on income for the period	**7,916**	65,439
Adjustments in respect of prior periods	-	(2,142)
Total current tax	**7,916**	63,297
Deferred tax (see note 8)		
Origination/reversal of timing differences	-	-
Adjustment in respect of previous years	-	1,781
Effect of tax rate change on opening balance	-	-
Tax on profit on ordinary activities	**7,916**	65,078

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 20% (*2014: 21.49%*). The differences are explained below:

	2015	2014
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	**34,372**	305,904
Current tax at 20% *(2014: 21.49%*	**6,874**	65,748
Effects of:		
Expenses not deductible for tax purposes	**1,042**	1,326
Marginal relief	-	(1,635)
Adjustments to tax charge in respect of previous periods	-	(361)
Total tax charge (see above)	**7,916**	65,078

Factors that may affect future current and total tax charges

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. A reduction in the rate to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantially enacted on 17 July 2013. These rate changes will reduce the company's future current tax charge and reduce the company's deferred tax liabilities accordingly.

Deferred tax has therefore been calculated at 20% as this is the tax rate substantively enacted at the Balance Sheet date.

Notes *(continued)*

6 Debtors

	2015	2014
	£	£
Trade debtors	**1,081,161**	900,620
Amounts owed from Interim Partners Limited	**-**	440,845
	1,081,161	1,341,465

7 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	**285,819**	284,781
Corporation tax	**2,620**	65,431
Other taxation and social security	**7,635**	10,492
Other creditors	**201,240**	167,145
Amounts due to Interim Partners Limited	**87,547**	-
	584,861	527,849

8 Deferred taxation

	2015	2014
	£	£
At beginning of year	**-**	(1,781)
Charge to profit and loss account in the year	**-**	1,781
At end of year	**-**	-

The elements of deferred taxation are set out below:

	2015	2014
	£	£
Short term timing differences	**-**	-
Deferred tax asset	**-**	-

9 Share capital

	2015	2014
	£	£
Allotted called up and fully paid		
1 ordinary share of £1 each	**1**	1

Notes *(continued)*

10 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.

11 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 £73,136 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.