Company Registration No. 07111550 (England and Wales)

# BRIGHTPOOL LIMITED

# ANNUAL REPORT AND FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 DECEMBER 2018

# BRIGHTPOOL LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Director** | DJ Baird |
| **Company number** | 07111550 |
| **Registered office** | One Angel Court<br>15 Floor<br>London<br>EC2R 7HJ |
| **Auditor** | BHP LLP<br>New Chartford House<br>Centurion Way<br>Cleckheaton<br>Bradford<br>West Yorkshire<br>BD19 3QB |
| **Business address** | The Exchange<br>Station Parade<br>Harrogate<br>North Yorkshire<br>HG1 1TS |

# BRIGHTPOOL LIMITED

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# BRIGHTPOOL LIMITED

## STRATEGIC REPORT

### *FOR THE YEAR ENDED 31 DECEMBER 2018*

The director presents the strategic report for the year ended 31 December 2018.

**Business model review of the business and future developments**
Brightpool specialises in project based agile resourcing for both permanent and contingent workforce solutions, underpinned by human capital research and insight.

The core strategy of the business is to:
- Focus on client service - high quality processes and robust controls to deliver a consistent quality of service and deliver the best outcomes for clients
- Investment in people and process - to ensure that clients get better quality, fully compliant candidates quickly, who deliver

Brightpool demonstrated positive growth in revenue and fee income (gross margin) in 2018, as a result of continued strong relationships with its existing client base.

During 2019 the securing of new clients and new projects is expected to deliver fee income growth in the financial services sector, with continued focus on developing Brightpool's resourcing capability in new market sectors.

**People**
The Company has an experienced and high-performing team.

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 Brightpool key performance indicators are:

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| **Revenue (£000s)** | 17,965 | 11,762 |

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

| | | |
|---|---|---|
| **Gross Profit (£000s)** | 2,476 | 1,826 |

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)** | 535 | 41 |

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 53% is driven by increases in sales to existing clients, as a result of continued strong relationships. Gross margin % has decreased slightly from 15.5% to 13.8% alongside a fee income (gross profit) growth of 36%.

On behalf of the board

..............................
DJ Baird
**Director**
30/07/19

# BRIGHTPOOL LIMITED

## DIRECTOR'S REPORT

### *FOR THE YEAR ENDED 31 DECEMBER 2018*

The director presents his annual report and financial statements for the year ended 31 December 2018.

**Principal activities**
Brightpool specialises in the areas of interim recruitment, talent pooling and agile resourcing.

**Director**
The director who held office during the year and up to the date of signature of the financial statements was as follows:

DJ Baird
R Barzegar (Resigned 31 May 2018)

**Results and dividends**
The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £430,000. The director does 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

## DIRECTOR'S RESPONSIBILITIES STATEMENT

### *FOR THE YEAR ENDED 31 DECEMBER 2018*

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT
# TO THE MEMBER OF BRIGHTPOOL LIMITED

**Opinion**
We have audited the financial statements of Brightpool 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is 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.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## TO THE MEMBER OF BRIGHTPOOL LIMITED

**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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)
## TO THE MEMBER OF BRIGHTPOOL 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 him 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.

BHP LLP

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

## STATEMENT OF COMPREHENSIVE INCOME

## *FOR THE YEAR ENDED 31 DECEMBER 2018*

| | Notes | 2018<br>£ | 2017<br>£ |
|---|---|---|---|
| **Turnover** | | 17,965,122 | 11,762,276 |
| Cost of sales | | (15,489,272) | (9,935,853) |
| **Gross profit** | | 2,475,850 | 1,826,423 |
| Administrative expenses | | (1,941,061) | (1,785,621) |
| **Operating profit** | 3 | 534,789 | 40,802 |
| Interest receivable and similar income | | 3,202 | 519 |
| Interest payable and similar expenses | | (622) | (845) |
| **Profit before taxation** | | 537,369 | 40,476 |
| Tax on profit | 6 | (108,263) | (8,207) |
| **Profit for the financial year** | | 429,106 | 32,269 |

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

# BRIGHTPOOL LIMITED

## BALANCE SHEET

## *AS AT 31 DECEMBER 2018*

| | Notes | 2018 £ | 2018 £ | 2017 £ | 2017 £ |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Debtors | **8** | 3,738,953 | | 2,507,173 | |
| Cash at bank and in hand | | 806,680 | | 474,555 | |
| | | 4,545,633 | | 2,981,728 | |
| **Creditors: amounts falling due within one year** | **9** | (3,167,977) | | (1,603,178) | |
| **Net current assets** | | | 1,377,656 | | 1,378,550 |
| **Capital and reserves** | | | | | |
| Called up share capital | **12** | | 1 | | 1 |
| Profit and loss reserves | | | 1,377,655 | | 1,378,549 |
| **Total equity** | | | 1,377,656 | | 1,378,550 |

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. 07111550**

## STATEMENT OF CHANGES IN EQUITY

### *FOR THE YEAR ENDED 31 DECEMBER 2018*

| | Notes | Share capital | Profit and loss reserves | Total |
|---|---|---|---|---|
| | | £ | £ | £ |
| **Balance at 1 January 2017** | | 1 | 1,346,280 | 1,346,281 |
| **Year ended 31 December 2017:** | | | | |
| Profit and total comprehensive income for the year | | - | 32,269 | 32,269 |
| **Balance at 31 December 2017** | | 1 | 1,378,549 | 1,378,550 |
| **Year ended 31 December 2018:** | | | | |
| Profit and total comprehensive income for the year | | - | 429,106 | 429,106 |
| Dividends | 7 | - | (430,000) | (430,000) |
| **Balance at 31 December 2018** | | 1 | 1,377,655 | 1,377,656 |

## 1 Accounting policies

**Company information**

Brightpool 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.

Brightpool Limited is a wholly owned subsidiary of New Street (Group) Limited and the results of Brightpool 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 director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues 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.

**1 Accounting policies** **(Continued)**

**1.4 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.

**1.5 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.

**1 Accounting policies** **(Continued)**

***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.

***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 though 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.

**1.6 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.

**1.7 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.

**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.

**1.8 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.

**1.9 Retirement benefits**

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

**1.10 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 director is 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 Operating profit

| Operating profit for the year is stated after charging: | 2018<br>£ | 2017<br>£ |
|---|---|---|
| Fees payable to the company's auditor for the audit of the company's financial statements | 4,500 | 5,000 |

## 4 Employees

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

| | 2018<br>Number | 2017<br>Number |
|---|---|---|
| | 17 | 13 |

Their aggregate remuneration comprised:

| | 2018<br>£ | 2017<br>£ |
|---|---|---|
| Wages and salaries | 768,284 | 525,329 |
| Social security costs | 74,306 | 48,553 |
| Pension costs | 13,904 | 8,732 |
| | 856,494 | 582,614 |

## 5 Director's remuneration

Directors emoluments equalled £nil in the year (2017 - £nil).

## 6 Taxation

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| **Current tax** | | |
| UK corporation tax on profits for the current period | 102,968 | 8,207 |
| Adjustments in respect of prior periods | 5,295 | - |
| Total current tax | 108,263 | 8,207 |

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 | 537,369 | 40,476 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%) | 102,100 | 7,792 |
| Tax effect of expenses that are not deductible in determining taxable profit | 868 | 415 |
| Adjustments in respect of prior years | 5,295 | - |
| Taxation charge for the year | 108,263 | 8,207 |

## 7 Dividends

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Interim paid | 430,000 | - |

## 8 Debtors

| | 2018 | 2017 |
|---|---|---|
| **Amounts falling due within one year:** | £ | £ |
| Trade debtors | 3,222,047 | 2,454,397 |
| Other debtors | 516,906 | 52,776 |
| | 3,738,953 | 2,507,173 |

## 9 Creditors: amounts falling due within one year

| | Notes | 2018 £ | 2017 £ |
|---|---|---|---|
| Bank loans and overdrafts | 10 | 566,660 | - |
| Trade creditors | | 1,081,045 | 607,712 |
| Amounts owed to group undertakings | | 446,005 | 492,183 |
| Corporation tax | | 102,968 | 2,911 |
| Other taxation and social security | | 839,863 | 327,988 |
| Other creditors | | 131,436 | 172,384 |
| | | 3,167,977 | 1,603,178 |

## 10 Loans and overdrafts

| | 2018 £ | 2017 £ |
|---|---|---|
| Bank overdrafts | 566,660 | - |
| Payable within one year | 566,660 | - |

Bank overdrafts are secured by fixed and floating charges over the assets of the company.

## 11 Retirement benefit schemes

| **Defined contribution schemes** | 2018 £ | 2017 £ |
|---|---|---|
| Charge to profit or loss in respect of defined contribution schemes | 13,904 | 8,732 |

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.

## 12 Share capital

| | 2018 £ | 2017 £ |
|---|---|---|
| **Ordinary share capital** | | |
| **Issued and fully paid** | | |
| 1 Ordinary share of £1 each | 1 | 1 |

## 13 Related party 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 Ultimate controlling party**

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