

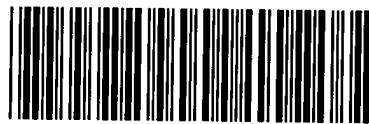
**Brightpool Limited**

**Directors' report and financial  
statements**

Registered number 07111550

31 December 2017

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## **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

### Principal activities of the business

Brightpool specialises in the areas of interim recruitment, talent pooling & agile resourcing.

### 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 2017, as a result of continued strong relationships with its existing client base.

During 2018 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:

	2017	2016
<b>Revenue (£000s)</b>	11,762	11,308

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

<b>Gross Profit (£000s)</b>	1,826	1,712
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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.

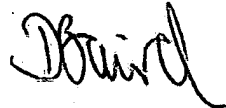
<b>EBITDA (£000s)</b>	41	521
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EBITDA is a measure of operating profit, adjusted for depreciation and amortisation. Reduction in EBITDA reflects a change in intercompany recharge policy from sister company Interim Partners Limited, to more accurately reflect the overhead cost allocation between businesses, alongside significant investment in a new website.

## Strategic Report *(continued)*

Year-on-year revenue increase of 4% is driven by increases in sales to existing clients, as a result of continued strong relationships. Gross margin % has increased slightly from 15.1% to 15.5% alongside fee income (gross profit) growth of 6.6%.

By order of the Board



**DJ Baird**

*Director*

5 New Street Square  
London  
EC4A 3BF

27 September 2018

## Director's 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:

Mr DJ Baird

Mr R Barzegar (resigned 31 May 2018)

#### **Dividends**

No dividends were paid in the year (2016: *£nil*).

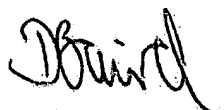
#### **Disclosure of information to auditors**

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*

5 New Street Square  
London  
EC4A 3BF

27 September 2018

## **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 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 Brightpool Limited

#### Opinion

We have audited the financial statements of Brightpool 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 Brightpool 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 4, 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](http://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

01/9/2018

**Profit and loss account**  
*for the year ended 31 December 2017*

	<i>Note</i>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
<b>Turnover</b>		<b>11,762,276</b>	<b>11,308,448</b>
Cost of sales		(9,935,853)	(9,596,306)
<b>Gross profit</b>		<b>1,826,423</b>	<b>1,712,142</b>
Administrative expenses		(1,785,621)	(1,191,091)
<b>Operating profit</b>	<b>2</b>	<b>40,802</b>	<b>521,051</b>
Interest receivable and similar charges		519	275
Interest payable and similar charges		(845)	(1,788)
<b>Profit on ordinary activities before taxation</b>		<b>40,476</b>	<b>519,538</b>
Tax on profit on ordinary activities	<b>5</b>	(8,207)	(104,359)
<b>Profit for the financial year</b>		<b>32,269</b>	<b>415,179</b>

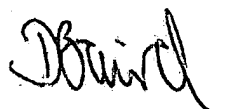
All the results are from continuing operations.

The company has no other comprehensive income

**Balance sheet**  
*as at 31 December 2017*

	<i>Note</i>	<b>2017</b> £	£	<b>2016</b> £	£
<b>Current assets</b>					
Debtors	6	2,507,173		2,156,885	
Cash at bank and in hand		474,555		20,774	
		<u>2,981,728</u>		<u>2,177,659</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,603,178)</u>		<u>(831,378)</u>	
<b>Net current assets</b>			<b>1,378,550</b>		<b>1,346,281</b>
<b>Total assets less current liabilities</b>			<b>1,378,550</b>		<b>1,346,281</b>
<b>Provisions</b>			-		-
<b>Net assets</b>			<b>1,378,550</b>		<b>1,346,281</b>
<b>Capital and reserves</b>					
Called up share capital	9		<b>1</b>		<b>1</b>
Profit and loss account			<b>1,378,549</b>		<b>1,346,280</b>
<b>Shareholders' funds</b>			<b>1,378,550</b>		<b>1,346,281</b>

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



**DJ Baird**  
*Director*

**Statement of changes in equity**  
*for the period 31 December 2017*

	Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2016	1	931,101	931,102
Total comprehensive income for the period			
Profit or loss	-	415,179	415,179
Dividends	-	-	-
Total contributions by and distributions to owners	-	415,179	415,179
Balance at 31 December 2016	1	1,346,280	1,346,281
Balance at 1 January 2017	1	1,346,280	1,346,281
Total comprehensive income for the period			
Profit or loss	-	32,269	32,269
Dividends	-	-	-
Total contributions by and distributions to owners	-	32,269	32,269
Balance at 31 December 2017	1	1,378,549	1,378,550

## 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 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 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 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)

#### 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:

	2017 £	2016 £
Auditor's fees	5,000	5,000
Taxation fees	250	260
	<u>5,250</u>	<u>5,260</u>

### 3 Directors' remuneration

Directors emoluments equalled £nil in the year (2016: £nil)

### 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	13	8
	<u>13</u>	<u>8</u>

The aggregate payroll costs of the above were:

Wages and salaries	484,267	457,113
Social security costs	48,553	41,344
Pension costs	8,732	-
	<u>541,552</u>	<u>498,457</u>

## Notes (continued)

### 5 Taxation

#### Analysis of charge in period

	2017 £	2016 £
<i>UK corporation tax</i>		
Current tax on income for the period	8,207	104,359
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax	8,207	104,359
<i>Deferred tax (see note 8)</i>		
Origination/reversal of timing differences	-	-
Adjustment in respect of previous years	-	-
Effect of tax rate change on opening balance	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	8,207	104,359
	<hr/>	<hr/>

#### 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	40,476	519,538
	<hr/>	<hr/>
Current tax at 19.25% (2016: 20%)	7,790	103,908
<i>Effects of:</i>		
Expenses not deductible for tax purposes	417	451
Marginal relief	-	-
Adjustments to tax charge in respect of previous periods	-	-
	<hr/>	<hr/>
Total tax charge (see above)	8,207	104,359
	<hr/>	<hr/>

#### 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)**

**6 Debtors**

	2017 £	2016 £
Trade debtors	2,454,397	2,149,019
Other debtors and prepayments	52,776	7,866
	<u>2,507,173</u>	<u>2,156,885</u>

**7 Creditors: amounts falling due within one year**

	2017 £	2016 £
Trade creditors	607,712	487,321
Corporation tax	2,911	99,063
Other taxation and social security	41,314	6,849
Other creditors	459,058	169,785
Amounts due to Interim Partners Limited	492,183	68,360
	<u>1,603,178</u>	<u>831,378</u>

**8 Deferred taxation**

	2017 £	2016 £
At beginning of year	-	-
Charge to profit and loss account in the year	-	-
	<u>-</u>	<u>-</u>
At end of year	-	-

The elements of deferred taxation are set out below:

	2017 £	2016 £
Short term timing differences	-	-
	<u>-</u>	<u>-</u>
Deferred tax asset	-	-
	<u>-</u>	<u>-</u>

**9 Share capital**

	2017 £	2016 £
<i>Allotted called up and fully paid</i>		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

## 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 £46,631 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.