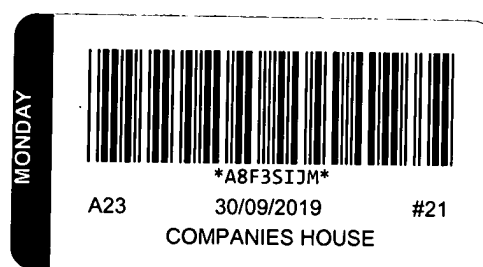


REGISTERED NUMBER: 07456396 (England and Wales)

**Strategic Report, Report of the Directors and**  
**Financial Statements for the Year Ended 31 December 2018**  
**for**  
**Redleaf Polhill Limited**



**Contents of the Financial Statements**  
**for the Year Ended 31 December 2018**

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**Redleaf Polhill Limited**

**Company Information**  
**for the Year Ended 31 December 2018**

**DIRECTORS:**

Mrs E V Rosenblatt  
G J Golembiewski  
R Bankes

**REGISTERED OFFICE:**

Sky Light City Tower  
50 Basinghall Street  
London  
EC2V 5DE

**REGISTERED NUMBER:**

07456396 (England and Wales)

**AUDITORS:**

Fisher Michael Chartered Accountants  
The Old Grange  
Warren Estate  
Lordship Road  
Writtle  
Essex  
CM1 3WT

**Strategic Report**  
**for the Year Ended 31 December 2018**

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

**REVIEW OF BUSINESS**

The company ceased to trade on 31 October 2018 and transferred its trade, assets and liabilities to Newgate PR Holdings Limited, its parent company, on that date.

Redleaf acted for 136 clients on a retained (91%) and project basis (9%). Its top 10 clients accounted for 33% of its revenues and no individual client represented more than 6% of its revenues.

The Agency is organised under four teams to reflect core areas of expertise: Capital Markets, Professional & Financial Services, Property, and Corporate. However, a significant amount of cross-team collaboration enables Redleaf to offer its clients best in class, integrated advice, whatever the communications challenge.

The Agency's services are structured around four core disciplines:

- Capabilities. Helping its clients develop their own communications and marketing capabilities to achieve their commercial objectives.
- Strategy. Advising its clients of the best strategies to achieve their commercial objectives.
- Stakeholder Communication. Engagement of different range of stakeholders using a variety of strategies and techniques to achieve their commercial objectives.
- Content and Thought Leadership. The creation of ideas and content to engage stakeholder audience to achieve commercial objectives.

The financial highlights of the year delivered by the Redleaf team, as adjusted for the 10 month trading period, were:

Gross Profits up 4%  
Operating costs up 11%  
EBITDA down 20%

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company is not reliant on external funding, and is not overly reliant on any single client.

In the directors opinion the principal risks to the company are the general commercial risk of an uncertain economy.

The directors manage risk by applying sensible safeguards in terms of credit control and its relationships with key customers are kept under constant review. As a further protection against general economic uncertainties, the company ensures that reasonable levels of cash reserves are maintained at all times.

**ON BEHALF OF THE BOARD:**



Mrs E V Rosenblatt - Director

Date: 4 April 2019

**Redleaf Polhill Limited**

**Report of the Directors**  
**for the Year Ended 31 December 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2018 will be £515,650.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

Mrs E V Rosenblatt  
G J Golembiewski  
R Bankes

**CHARITABLE DONATIONS AND EXPENDITURE**

During the year the company made donations totalling £2,307.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



.....  
Mrs E V Rosenblatt - Director

Date: 4 April 2019

**Report of the Independent Auditors to the Members of**  
**Redleaf Polhill Limited**

**Opinion**

We have audited the financial statements of Redleaf Polhill Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Emphasis of matter**

The consideration of going concern is not appropriate because the company ceased to trade on 31 October 2018 and transferred its trade, assets and liabilities to Newgate PR Holdings, its parent company, on that date.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of**  
**Redleaf Polhill Limited**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

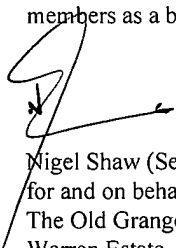
**Auditors' responsibilities for the audit of the financial statements**

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 a Report of the Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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 a Report of the Auditors 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.



Nigel Shaw (Senior Statutory Auditor)  
for and on behalf of Fisher Michael  
The Old Grange  
Warren Estate  
Lordship Road  
Writtle  
Essex  
CM1 3WT

Date: 4 April 2019

**Redleaf Polhill Limited (Registered number: 07456396)**

**Income Statement**  
**for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
<b>TURNOVER</b>	3	3,812,402	4,372,216
Cost of sales		173,098	154,721
<b>GROSS PROFIT</b>		3,639,304	4,217,495
Administrative expenses		2,948,561	3,184,071
		690,743	1,033,424
Other operating income		839	12,000
<b>OPERATING PROFIT</b>	5	691,582	1,045,424
Interest payable and similar expenses	6	1,245	1,989
<b>PROFIT BEFORE TAXATION</b>		690,337	1,043,435
Tax on profit	7	-	99,049
<b>PROFIT FOR THE FINANCIAL YEAR</b>		690,337	944,386

The notes form part of these financial statements



**Redleaf Polhill Limited (Registered number: 07456396)**

**Other Comprehensive Income**  
**for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
<b>PROFIT FOR THE YEAR</b>		690,337	944,386
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>690,337</u>	<u>944,386</u>

The notes form part of these financial statements

**Redleaf Polhill Limited (Registered number: 07456396)**

**Balance Sheet**  
**31 December 2018**

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	9	-	141,136
<b>CURRENT ASSETS</b>			
Debtors	10	599,683	703,669
Cash at bank		-	149,421
		<u>599,683</u>	<u>853,090</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	-	546,461
		<u>-</u>	<u>546,461</u>
<b>NET CURRENT ASSETS</b>		<u>599,683</u>	<u>306,629</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>599,683</u>	<u>447,765</u>
<b>PROVISIONS FOR LIABILITIES</b>	15	-	22,769
		<u>-</u>	<u>22,769</u>
<b>NET ASSETS</b>		<u><u>599,683</u></u>	<u><u>424,996</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	1,157	1,157
Retained earnings	17	598,526	423,839
		<u>599,683</u>	<u>424,996</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>599,683</u></u>	<u><u>424,996</u></u>

The financial statements were approved by the Board of Directors on 4 April 2019 and were signed on its behalf by:

  
Grzegorz Golembiewski - Director

The notes form part of these financial statements

**Redleaf Polhill Limited (Registered number: 07456396)**

**Statement of Changes in Equity**  
**for the Year Ended 31 December 2018**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2017</b>	1,157	434,727	435,884
<b>Changes in equity</b>			
Dividends	-	(955,274)	(955,274)
Total comprehensive income	-	944,386	944,386
<b>Balance at 31 December 2017</b>	<u>1,157</u>	<u>423,839</u>	<u>424,996</u>
<b>Changes in equity</b>			
Dividends	-	(515,650)	(515,650)
Total comprehensive income	-	690,337	690,337
<b>Balance at 31 December 2018</b>	<u>1,157</u>	<u>598,526</u>	<u>599,683</u>

The notes form part of these financial statements

**Redleaf Polhill Limited (Registered number: 07456396)**

**Cash Flow Statement**  
**for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	483,367	961,986
Interest paid		(1,245)	(1,989)
Tax paid		(102,073)	(242,021)
Net cash from operating activities		<u>380,049</u>	<u>717,976</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(13,820)</u>	<u>(17,020)</u>
Net cash from investing activities		<u>(13,820)</u>	<u>(17,020)</u>
 <b>Cash flows from financing activities</b>			
Equity dividends paid		<u>(515,650)</u>	<u>(955,274)</u>
Net cash from financing activities		<u>(515,650)</u>	<u>(955,274)</u>
 <b>Decrease in cash and cash equivalents</b>		<u>(149,421)</u>	<u>(254,318)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	149,421	403,739
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>-</u></u>	<u><u>149,421</u></u>

The notes form part of these financial statements

**Redleaf Polhill Limited (Registered number: 07456396)**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 December 2018**

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2018	2017
	£	£
Profit before taxation	690,337	1,043,435
Depreciation charges	19,378	43,949
Loss on disposal of fixed assets	15,951	-
Finance costs	1,245	1,989
	<hr/>	<hr/>
	726,911	1,089,373
Decrease in stocks	-	10,000
Decrease/(increase) in trade and other debtors	200,844	(90,181)
Decrease in trade and other creditors	(444,388)	(47,206)
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>483,367</b>	<b>961,986</b>
	<hr/>	<hr/>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	-	149,421
	<hr/>	<hr/>

**Year ended 31 December 2017**

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	149,421	403,739
	<hr/>	<hr/>

The notes form part of these financial statements

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2018**

**1. STATUTORY INFORMATION**

Redleaf Polhill Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably.

The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible fixed assets are initially measured at cost. After initial recognition, tangible fixed assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates, in order to write off each asset over its estimated useful life:

Land and buildings leasehold	5 years
Plant and machinery	15% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

**Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**2. ACCOUNTING POLICIES - continued**

**Stocks**

Work in progress is valued at the lower of cost and net realisable value. Cost is measured on a chargeable time basis and also includes a proportion of attributable overheads. If applicable, losses are recognised as soon as they are foreseen.

**Cash and cash equivalents**

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.

**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.



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**2. 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

**Other financial liabilities**

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

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

**Derecognition of financial liabilities**

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

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**2. ACCOUNTING POLICIES - continued**

**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.

**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.

**Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

**Hire purchase and leasing commitments**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**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

**Going Concern**

The company ceased to trade on 31 October 2018 and transferred its trade, assets and liabilities to Newgate PR Holdings Limited, its parent company on that date.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2018	2017
	£	£
United Kingdom	3,349,160	3,558,274
Europe	192,832	211,479
United States of America	23,280	-
Asia	90,910	-
Rest of the World	156,220	602,463
	<u>3,812,402</u>	<u>4,372,216</u>

**4. EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	1,870,002	1,978,431
Social security costs	226,406	240,803
Other pension costs	49,522	54,582
	<u>2,145,930</u>	<u>2,273,816</u>

The average number of employees during the year was as follows:

	2018	2017
Directors	3	3
Admin	2	3
Consultants	27	25
	<u>32</u>	<u>31</u>

	2018	2017
	£	£
Directors' remuneration	227,667	306,776
Directors' pension contributions to money purchase schemes	6,548	8,100
	<u>234,215</u>	<u>314,876</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2018	2017
Money purchase schemes	<u>1</u>	<u>1</u>

Information regarding the highest paid director is as follows:

	2018	2017
	£	£
Emoluments etc	227,667	306,776
Pension contributions to money purchase schemes	6,548	8,100
	<u>234,215</u>	<u>314,876</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Other operating leases	1,358	1,788
Depreciation - owned assets	19,378	43,949
Loss on disposal of fixed assets	15,951	-
Auditors' remuneration	12,450	9,175
Foreign exchange differences	(420)	(873)
	<u>          </u>	<u>          </u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£	£
Bank charges and interest	1,245	1,989
	<u>          </u>	<u>          </u>

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	-	102,072
Deferred tax	-	(3,023)
	<u>          </u>	<u>          </u>
Tax on profit	-	99,049
	<u>          </u>	<u>          </u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Profit before tax	690,337	1,043,435
	<u>          </u>	<u>          </u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.246%)	131,164	200,820
Effects of:		
Expenses not deductible for tax purposes	17,764	24,396
Depreciation in excess of capital allowances	1,121	4,265
Group relief	(150,050)	(127,414)
Movement on deferred tax	-	(3,023)
Rounding	1	5
	<u>          </u>	<u>          </u>
Total tax charge	-	99,049
	<u>          </u>	<u>          </u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**8. DIVIDENDS**

	2018 £	2017 £
Ordinary shares of £1 each		
Interim	515,650	955,274

**9. TANGIBLE FIXED ASSETS**

	Short leasehold £	Fixtures and equipment £	Totals £
<b>COST</b>			
At 1 January 2018	94,056	294,493	388,549
Additions	3,600	10,220	13,820
Disposals	(94,056)	(52,406)	(146,462)
Reclassification/transfer	(3,600)	(252,307)	(255,907)
At 31 December 2018	-	-	-
<b>DEPRECIATION</b>			
At 1 January 2018	92,921	154,492	247,413
Charge for year	600	18,778	19,378
Eliminated on disposal	(92,921)	(37,590)	(130,511)
Reclassification/transfer	(600)	(135,680)	(136,280)
At 31 December 2018	-	-	-
<b>NET BOOK VALUE</b>			
At 31 December 2018	-	-	-
At 31 December 2017	1,135	140,001	141,136

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	-	592,692
Amounts owed by group undertakings	599,683	-
Other debtors	-	60,810
Prepayments	-	50,167
	599,683	703,669

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade creditors	-	80,817
Amounts owed to group undertakings	-	27,218
Tax	-	102,073
Social security and other taxes	-	71,347
VAT	-	149,234
Other creditors	-	87,198
Accrued expenses	-	28,574
	-	546,461

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**12. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	-	10,156
Between one and five years	-	792
	<u>-</u>	<u>10,948</u>

At the balance sheet date, there were no leasing agreements outstanding.

**13. SECURED DEBTS**

The company had a £30,000 facility to use company credit cards. This was secured by a floating charge over the company's assets dated 25 May 2011.

**14. FINANCIAL INSTRUMENTS**

	2018	2017
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>472,402</u>	<u>653,502</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>-</u>	<u>223,807</u>

**15. PROVISIONS FOR LIABILITIES**

	2018	2017
	£	£
Deferred tax	<u>-</u>	<u>22,769</u>
		Deferred tax
		£
Balance at 1 January 2018		22,769
Provision transferred to Newgate PR Holdings Limited		<u>(22,769)</u>
Balance at 31 December 2018		<u>-</u>

**16. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
1,157	Ordinary	£1	<u>1,157</u>	<u>1,157</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**17. RESERVES**

	Retained earnings £
At 1 January 2018	423,839
Profit for the year	690,337
Dividends	(515,650)
At 31 December 2018	<u>598,526</u>

**18. PENSION COMMITMENTS**

	2018 £	2017 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>49,522</u>	<u>54,582</u>

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.

**19. RELATED PARTY DISCLOSURES**

The following transactions with related parties took place during the period:-

1. Salary costs of £265,059 (2017: £356,249) were paid to key management personnel.
2. Directors' salary costs of £120,987 were recharged to entities under common control.
3. Management charges of £109,195 (2017: £126,541) were levied by the ultimate parent company.

The company ceased to trade on 31 October 2018 and transferred its trade, assets and liabilities to Newgate PR Holdings Limited on that date. The amount outstanding from Newgate PR Holdings Limited at the year end was £599,683 and is included in debtors.

**20. ULTIMATE CONTROLLING PARTY**

The company's immediate parent is Newgate PR Holdings Limited, a company registered in England and Wales.

The ultimate parent company is Porta Communications plc, a company registered in England and Wales.

Porta Communications plc prepares group financial statements and copies can be obtained from Sky Light City Tower, 50 Basinghall Street, London, EC2V 5DE.