

Company Registration No. 07672975 (England and Wales)

NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
COMPANY INFORMATION**

Directors	DJ Baird AJL McIntee CC Clegg MJ Oliver (Appointed 1 July 2020)
Company number	07672975
Registered office	One Angel Court 15th Floor London EC2R 7HJ
Auditor	BHP LLP New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB
Business address	The Exchange Station Parade Harrogate North Yorkshire HG1 1TS

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
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NEW STREET CONSULTING GROUP LIMITED (FORMERLY NEW STREET (GROUP) LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

BUSINESS MODEL, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

New Street Consulting Group has been a leading leadership consulting and talent solutions provider for over 40 years. Over these four decades the business has built lasting relationships with many world-leading organisations. During that time, the Group has recruited, assessed or developed over 10,000 leaders and executives.

During 2019 the Group operated under four trading brands, consolidated into four corporate entities, under one holding company:

- New Street (Group) Limited: non-trading holding company.
- Interim Partners Limited: operating the Interim Partners brand.
- Brightpool Limited: operating the Brightpool brand.
- Mercer Richardson & Partners Limited: operating the Wickland Wescott brand.
- Test Direct Limited: operating the Tests Direct brand.

These four brands operate within the follow markets:

- Interim Partners is a market leading global provider of senior interim executives. The business helps organisations going through change and transformation by introducing them to exceptional interim executives who materially influence their performance.
- Brightpool specialises in project based agile resourcing for both permanent and contingent workforce solutions, underpinned by human capital research and insight.
- Wickland Westcott specialises in leadership development and assessment solutions, as well as an executive search function for c-suite and senior leaders. The business assists organisations to recruit, promote, develop and retain talent through implementing effective and efficient leadership development programmes.
- Tests Direct offers a range of online psychometric tests and personality questionnaires to enable organisations to attract, recruit, select, develop and retain staff.

The Group continued to be profitable in 2019, investing in its high performing team to help drive long-term growth to the business alongside continued investment in systems. This was demonstrated by the acquisition of Mercer Richardson and Partners Limited in 2019 to enhance the offering provided by the Interim Partners and Brightpool brands to their existing client base, whilst also opening up new opportunities to the existing brands within the client base of the newly acquired business.

During 2020 the focus was again both on securing of new clients and new placements within its existing client base, as well as a strong focus on streamlining the Group's cost base. The Covid-19 pandemic had an impact on the businesses to whom the Group provides services, and as such a decline in revenue and gross profit was seen in 2020. However, the streamlining of the Group's cost base has meant that this decline in revenue was partly mitigated at the EBITDA level.

Whilst it is not possible to predict the ongoing impact of the Covid-19 pandemic, and the potential for an economic recession during the course of 2021, the Group continues to maintain strong relationships with its long-standing clients and expects to improve on 2020 performance as the pandemic restrictions begin to ease, coupled with a greater level of cross-selling of services to clients between the brands.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
STRATEGIC REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW AND KPIS

The Group monitors the performance of its businesses through individual KPIs for each brand. These are included within the group company financial reports.

On a group basis the key performance indicators are:

2019 2018

Revenue (£000s) 43,327 40,710

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

Gross Profit (£000s) 9,410 7,857

Gross profit is the Group'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) 962 1,184

EBITDA is a measure of operating profit, adjusted for depreciation and amortisation.

Revenue growth of 6% is driven by the acquisition of the Mercer Richardson & Partners Limited subsidiary during 2019. The reduction in EBITDA during the year is driven by the high cost base in the newly acquired subsidiary and the costs involved in reducing this as the subsidiaries operations became integrated within the group's operating structure.

PRINCIPAL RISKS AND UNCERTAINTIES

In the process of applying the Group's accounting policies, management considers that the following factors are the key risks of the business:

Bad debt

Some of the Group's clients require interim expertise in a turnaround or distressed situation, giving rise to the potential for bad debts. The Group mitigates this through credit checks and tighter payment term arrangements, including upfront and on account payments.

Cash flow

The Company has no interest bearing loans and the Group's income and operating cash flows are subsequently independent of change in market interest rates

Dependence on key personnel

The future success of the Group is dependent on the continued service of senior management and key personnel. The loss of service of the directors and other key personnel could have a material adverse impact on the business. However, the business is not reliant on any one key individual.

Competition

The directors believe the Group is well positioned in its chosen markets. Whilst the Group will seek to continue to improve its competitive position, the actions of current or indeed potential competitors may adversely affect the Group's business.

Strength of key markets

The market for interim managers is reasonable at present, although has been depressed from previous levels due to the ongoing impact of the Covid-19 pandemic. Whilst the Group has traded successfully to date through the period of the pandemic, and is well positioned to benefit from any economic recovery post-pandemic, it is difficult to predict how this market will move in the foreseeable future particularly given the potential of an economic recession during the course of 2021.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
STRATEGIC REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2019

On behalf of the board

DJ Baird
Director

5 March 2021

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The New Street Consulting Group is a group of companies providing interim executives and project based agile resourcing.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

DJ Baird

AJL McIntee

CC Clegg

MJ Oliver

(Appointed 1 July 2020)

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £419,500. The directors do not recommend payment of a further dividend.

Auditor

In accordance with the company's articles, a resolution proposing that BHP LLP be reappointed as auditor of the group 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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

DJ Baird

Director

5 March 2021

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
DIRECTORS' RESPONSIBILITIES STATEMENT**

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Annual 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 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 group and company, and of the profit or loss of the group 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 UK 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF NEW STREET CONSULTING GROUP LIMITED

Opinion

We have audited the financial statements of New Street Consulting Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 December 2019 and of the group's 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 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 group's or the parent 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 directors are 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.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF NEW STREET CONSULTING GROUP 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have 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.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF NEW STREET CONSULTING GROUP LIMITED

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 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.

**Nigel Bullas (Senior Statutory Auditor)
for and on behalf of BHP LLP**

5 March 2021

**Chartered Accountants
Statutory Auditor**

New Chartford House
Centurion Way
Cleckheaton
Bradford
West Yorkshire
BD19 3QB

NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	43,327,020	40,709,810
Cost of sales		(33,916,780)	(32,852,860)
Gross profit		9,410,240	7,856,950
Administrative expenses		(8,842,799)	(7,044,583)
Other operating income		89,043	-
Operating profit	4	656,484	812,367
Interest receivable and similar income	7	1,528	3,355
Interest payable and similar expenses	8	(48,401)	(62,600)
Profit before taxation		609,611	753,122
Tax on profit	9	(215,511)	(223,989)
Profit for the financial year		394,100	529,133

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		-		197,949
Negative goodwill	11		(258,802)		-
Net goodwill			(258,802)		197,949
Tangible assets	12		1,059,098		799,390
Investments	13		79,615		-
			879,911		997,339
Current assets					
Debtors	15	5,954,647		7,313,363	
Cash at bank and in hand		515,174		820,479	
		6,469,821		8,133,842	
Creditors: amounts falling due within one year	16	(6,291,410)		(8,077,689)	
Net current assets			178,411		56,153
Total assets less current liabilities			1,058,322		1,053,492
Provisions for liabilities	18		(65,730)		(35,500)
Net assets			992,592		1,017,992
Capital and reserves					
Called up share capital	20		1,000		1,000
Share premium account			6,141		6,141
Profit and loss reserves			985,451		1,010,851
Total equity			992,592		1,017,992

The financial statements were approved by the board of directors and authorised for issue on 5 March 2021 and are signed on its behalf by:

DJ Baird
Director

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
COMPANY BALANCE SHEET**

AS AT 31 DECEMBER 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Investments	13		2,688,630		2,179,000
Current assets					
Debtors	15	430,000		430,000	
Creditors: amounts falling due within one year	16	(3,111,649)		(2,602,019)	
Net current liabilities			(2,681,649)		(2,172,019)
Total assets less current liabilities			6,981		6,981
Capital and reserves					
Called up share capital	20		1,000		1,000
Profit and loss reserves			5,981		5,981
Total equity			6,981		6,981

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £419,500 (2018 - £539,881 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 5 March 2021 and are signed on its behalf by:

DJ Baird
Director

Company Registration No. 07672975

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
GROUP STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 January 2018		1,000	6,141	1,021,599	1,028,740
Year ended 31 December 2018:					
Profit and total comprehensive income for the year		-	-	529,133	529,133
Dividends	10	-	-	(539,881)	(539,881)
Balance at 31 December 2018		1,000	6,141	1,010,851	1,017,992
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	394,100	394,100
Dividends	10	-	-	(419,500)	(419,500)
Balance at 31 December 2019		1,000	6,141	985,451	992,592

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
COMPANY STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2018		1,000	5,981	6,981
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	539,881	539,881
Dividends	10	-	(539,881)	(539,881)
Balance at 31 December 2018		1,000	5,981	6,981
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	419,500	419,500
Dividends	10	-	(419,500)	(419,500)
Balance at 31 December 2019		1,000	5,981	6,981

NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	23	1,432,876	1,343,879
Interest paid		(48,401)	(62,600)
Income taxes paid		(190,827)	(164,709)
Net cash inflow from operating activities		<u>1,193,648</u>	<u>1,116,570</u>
Investing activities			
Purchase of tangible fixed assets		(373,199)	(778,863)
Purchase of subsidiaries		(350,262)	-
Interest received		1,528	3,355
Net cash used in investing activities		<u>(721,933)</u>	<u>(775,508)</u>
Financing activities			
Dividends paid to equity shareholders		(419,500)	(539,881)
Net cash used in financing activities		<u>(419,500)</u>	<u>(539,881)</u>
Net increase/(decrease) in cash and cash equivalents		<u>52,215</u>	<u>(198,819)</u>
Cash and cash equivalents at beginning of year		(327,022)	(128,203)
Cash and cash equivalents at end of year		<u><u>(274,807)</u></u>	<u><u>(327,022)</u></u>
Relating to:			
Cash at bank and in hand		515,174	820,479
Bank overdrafts included in creditors payable within one year		<u>(789,981)</u>	<u>(1,147,501)</u>

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

New Street Consulting Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is One Angel Court, 15th Floor, London, EC2R 7HJ.

The group consists of New Street Consulting Group Limited and all of its subsidiaries.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The 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 for parent company information presented within the consolidated financial statements:

- 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': 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.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of New Street Consulting Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

As a result of the acquisition in 2011, the results of the immediate subsidiary Interim Partners Limited within these financial statements have been accounted for using merger accounting principles.

Other acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of the companies acquired and disposed of are included in the Profit and Loss account after or up to the date that control passes retrospectively.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

The directors have considered the impact of COVID-19 on the group's trade, workforce and supply chain, as well as the wider economy. Whilst it is not considered practical to accurately assess the duration and extent of the disruption, the directors are confident that they have in place plans to deal with any financial losses that may arise. The directors therefore continue to adopt the going concern basis of preparation for these financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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 the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

1 Accounting policies

(Continued)

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Fixtures and fittings	25% on cost
Equipment	25% on cost

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 recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 group 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.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 group 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 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 group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2019

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 if, and only if, there is 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.

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.16 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 in the period are included in profit or loss.

NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Bad debt provision

The carrying value of the bad debt provision is £127,867 and is based on a specific provision against certain aged debtors. This is reviewed on a monthly basis and adjusted as necessary.

Goodwill

The carrying value of goodwill on acquisition of Brightpool Limited is £nil as at 31 December 2019. This is reviewed on a monthly basis in line with the financial performance of Brightpool Limited, and no fair value adjustments have been deemed necessary to date.

The carrying value of goodwill on acquisition of Mercer Richardson & Partners Limited is (£258,802) as at 31 December 2019. This is reviewed on an annual basis in line with the financial performance of Mercer Richardson & Partners Limited, and no fair value adjustments have been deemed necessary to date.

3 Turnover and other revenue

	2019	2018
	£	£
Other significant revenue		
Interest income	1,528	3,355
	<u> </u>	<u> </u>

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	22,739	1,028
Depreciation of owned tangible fixed assets	172,695	107,424
(Profit)/loss on disposal of tangible fixed assets	-	45,160
Amortisation of intangible assets	197,949	263,931
Release of negative goodwill	(64,700)	-
Operating lease charges	541,557	458,924
	<u> </u>	<u> </u>

**NEW STREET CONSULTING GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,590	3,500
Audit of the financial statements of the company's subsidiaries	16,900	12,000
	<u>20,490</u>	<u>15,500</u>
For other services		
Taxation compliance services	<u>2,770</u>	<u>1,950</u>

6 Employees

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

Group	2018	Company	2018
2019		2019	
Number	Number	Number	Number
79	60	-	-
<u>79</u>	<u>60</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group	2018	Company	2018
	2019		2019	
	£	£	£	£
Wages and salaries	4,988,430	3,687,996	-	-
Social security costs	555,171	400,343	-	-
Pension costs	151,654	85,247	-	-
	<u>5,695,255</u>	<u>4,173,586</u>	<u>-</u>	<u>-</u>

7 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	1,499	3,355
Other interest income	29	-
	<u>1,528</u>	<u>3,355</u>

NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and loans	45,404	62,600
Other interest	2,997	-
	<u>48,401</u>	<u>62,600</u>
Total finance costs	<u>48,401</u>	<u>62,600</u>

9 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	192,861	191,238
Adjustments in respect of prior periods	-	5,459
	<u>192,861</u>	<u>196,697</u>
Total current tax	<u>192,861</u>	<u>196,697</u>
Deferred tax		
Origination and reversal of timing differences	22,650	27,292
	<u>22,650</u>	<u>27,292</u>
Total tax charge	<u>215,511</u>	<u>223,989</u>

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:

	2019	2018
	£	£
Profit before taxation	<u>609,611</u>	<u>753,122</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	115,826	143,093
Tax effect of expenses that are not deductible in determining taxable profit	27,548	16,854
Unutilised tax losses carried forward	161	-
Adjustments in respect of prior years	-	5,459
Amortisation on assets not qualifying for tax allowances	37,610	50,147
Other non-reversing timing differences	11,470	10,422
Tax rate changes on opening and closing deferred tax balances	(3,473)	(1,986)
Pre-acquisition trade	38,662	-
Negative goodwill released to profit	(12,293)	-
	<u>215,511</u>	<u>223,989</u>
Taxation charge	<u>215,511</u>	<u>223,989</u>

NEW STREET CONSULTING GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Dividends

	2019	2018
	£	£
Interim paid	419,500	539,881

11 Intangible fixed assets

Group	Goodwill	Negative goodwill	Total
	£	£	£
Cost			
At 1 January 2019	1,319,656	-	1,319,656
Additions	-	(323,502)	(323,502)
At 31 December 2019	1,319,656	(323,502)	996,154
Amortisation and impairment			
At 1 January 2019	1,121,707	-	1,121,707
Amortisation charged for the year	197,949	(64,700)	133,249
At 31 December 2019	1,319,656	(64,700)	1,254,956
Carrying amount			
At 31 December 2019	-	(258,802)	(258,802)
At 31 December 2018	197,949	-	197,949

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. The goodwill arising from the acquisition of Brightpool Limited in 2014 was amortised over a period of 5 years and the negative goodwill arising from the acquisition of Mercer Richardson & Partners Limited will be amortised over a period of 5 years.

NEW STREET CONSULTING GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Tangible fixed assets

Group	Leasehold improvements	Fixtures and fittings	Equipment	Total
	£	£	£	£
Cost				
At 1 January 2019	554,593	161,217	232,243	948,053
Additions	134,487	34,668	204,044	373,199
Business combinations	11,033	48,171	-	59,204
At 31 December 2019	700,113	244,056	436,287	1,380,456
Depreciation and impairment				
At 1 January 2019	66,298	13,934	68,431	148,663
Depreciation charged in the year	61,763	56,726	54,206	172,695
At 31 December 2019	128,061	70,660	122,637	321,358
Carrying amount				
At 31 December 2019	572,052	173,396	313,650	1,059,098
At 31 December 2018	488,295	147,283	163,812	799,390

The company had no tangible fixed assets at 31 December 2019 or 31 December 2018.

13 Fixed asset investments

		Group		Company	
	Notes	2019	2018	2019	2018
		£	£	£	£
Investments in subsidiaries	14	79,615	-	2,688,630	2,179,000

Movements in fixed asset investments

Group	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2019	-
Additions	79,615
At 31 December 2019	79,615
Carrying amount	
At 31 December 2019	79,615
At 31 December 2018	-

NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

13 Fixed asset investments **(Continued)**

Movements in fixed asset investments	
Company	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2019	2,179,000
Additions	509,630
	<hr/>
At 31 December 2019	2,688,630
	<hr/>
Carrying amount	
At 31 December 2019	2,688,630
	<hr/>
At 31 December 2018	2,179,000
	<hr/>

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Brightpool Limited	UK	Ordinary	100.00	-
Interim Partners Limited	UK	Ordinary	100.00	-
Mercer Richardson & Partners Limited	UK	Ordinary	100.00	-
Tests Direct Limited	UK	Ordinary	0	51.00

15 Debtors

	Group		Company	
	2019	2018	2019	2018
Amounts falling due within one year:	£	£	£	£
Trade debtors	4,890,391	6,092,722	-	-
Corporation tax recoverable	7,140	-	-	-
Amounts owed by group undertakings	-	-	430,000	430,000
Other debtors	1,020,950	1,220,641	-	-
Prepayments and accrued income	36,166	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	5,954,647	7,313,363	430,000	430,000
	<hr/>	<hr/>	<hr/>	<hr/>

NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Creditors: amounts falling due within one year

		Group		Company	
	Notes	2019	2018	2019	2018
		£	£	£	£
Bank loans and overdrafts	17	789,981	1,147,501	-	-
Trade creditors		2,351,382	3,097,941	845	-
Amounts owed to group undertakings		-	-	3,060,693	1,947,087
Corporation tax payable		192,832	191,238	-	-
Other taxation and social security		1,131,360	1,452,123	-	-
Other creditors		1,785,499	2,188,886	50,111	654,932
Accruals and deferred income		40,356	-	-	-
		<u>6,291,410</u>	<u>8,077,689</u>	<u>3,111,649</u>	<u>2,602,019</u>

17 Loans and overdrafts

		Group		Company	
		2019	2018	2019	2018
		£	£	£	£
Bank overdrafts		<u>789,981</u>	<u>1,147,501</u>	<u>-</u>	<u>-</u>
Payable within one year		<u>789,981</u>	<u>1,147,501</u>	<u>-</u>	<u>-</u>

The bank overdrafts are secured by fixed charges over property or undertakings of the group.

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities
	2019	2018
Group	£	£
Accelerated capital allowances	<u>65,730</u>	<u>35,500</u>

The company has no deferred tax assets or liabilities.

NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Deferred taxation **(Continued)**

	Group 2019 £	Company 2019 £
Movements in the year:		
Liability at 1 January 2019	35,500	-
Charge to profit or loss	30,230	-
	<u>65,730</u>	<u>-</u>
Liability at 31 December 2019	<u><u>65,730</u></u>	<u><u>-</u></u>

19 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	151,654	85,247
	<u><u>151,654</u></u>	<u><u>85,247</u></u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share capital

	Group and company 2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
900 Ordinary shares of £1 each	900	900
100 Ordinary class A shares of £1 each	100	100
	<u>1,000</u>	<u>1,000</u>
	<u><u>1,000</u></u>	<u><u>1,000</u></u>

21 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	719,983	157,268	-	-
Between two and five years	2,660,785	2,711,025	-	-
In over five years	2,461,650	3,103,819	-	-
	<u>5,842,418</u>	<u>5,972,112</u>	<u>-</u>	<u>-</u>
	<u><u>5,842,418</u></u>	<u><u>5,972,112</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

NEW STREET CONSULTING GROUP LIMITED
(FORMERLY NEW STREET (GROUP) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Events after the reporting date

As part of their assessment of the going concern basis of preparation, the Directors have considered the impact of the COVID-19 pandemic on the Group's trade, workforce, supply chain and the wider economies in which it operates (See Note 1.3). It is the view of the Directors that the events which have significantly impacted the Group are the direct result of Government and international policy in response to the pandemic (for example restrictions on travel, trade and personal interactions) and such policy only arose after the balance sheet date. The Directors therefore consider the impact of the COVID-19 on the business to be a non-adjusting post-balance sheet event.

23 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	394,100	529,133
Adjustments for:		
Taxation charged	215,511	223,989
Finance costs	48,401	62,600
Investment income	(1,528)	(3,355)
(Gain)/loss on disposal of tangible fixed assets	-	45,160
Amortisation and impairment of intangible assets	133,249	263,931
Depreciation and impairment of tangible fixed assets	172,695	107,424
Increase in provisions	30,230	-
Movements in working capital:		
Decrease/(increase) in debtors	2,158,800	(1,588,225)
(Decrease)/increase in creditors	(1,718,582)	1,703,222
Cash generated from operations	1,432,876	1,343,879

24 Analysis of changes in net debt - group

	1 January 2019 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	820,479	(305,305)	515,174
Bank overdrafts	(1,147,501)	357,520	(789,981)
	<u>(327,022)</u>	<u>52,215</u>	<u>(274,807)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.