

REGISTERED NUMBER: 09307871 (England and Wales)

**WESTMINSTER TOPCO LIMITED**

**Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Period 31 March 2018 to 29 March 2019**

TUESDAY



\*A8KYGW1H\*

A21

24/12/2019

#87

COMPANIES HOUSE

**Contents of the Consolidated Financial Statements  
for the period 31 March 2018 to 29 March 2019**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>5</b>
<b>Statement of Directors' Responsibilities</b>	<b>7</b>
<b>Report of the Independent Auditors</b>	<b>8</b>
<b>Consolidated Statement of Profit or Loss</b>	<b>11</b>
<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	<b>12</b>
<b>Consolidated Statement of Financial Position</b>	<b>13</b>
<b>Company Statement of Financial Position</b>	<b>15</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>16</b>
<b>Company Statement of Changes in Equity</b>	<b>17</b>
<b>Consolidated Statement of Cash Flows</b>	<b>18</b>
<b>Notes to the Consolidated Statement of Cash Flows</b>	<b>19</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>22</b>

**WESTMINSTER TOPCO LIMITED**

**Company Information  
for the period 31 March 2018 to 29 March 2019**

---

**DIRECTORS:**

A J Burchall  
T J Cook  
A Herron  
G W Lloyd

**SECRETARY:**

G J A Dolan

**REGISTERED OFFICE:**

222 Bishopsgate  
London  
United Kingdom  
EC2M 4QD

**REGISTERED NUMBER:**

09307871 (England and Wales)

**AUDITORS:**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

**Group Strategic Report  
for the period 31 March 2018 to 29 March 2019**

---

The directors present the annual report and the audited financial statements for the 52 week period from 31 March 2018 to 29 March 2019.

The registered number of the private Westminster Topco Limited company, limited by shares is 09307871. Copies of the accounts for the company and its subsidiary undertakings (the Group) can be obtained from the registered address of the Company at 222 Bishopsgate, London, EC2M 4QD.

**REVIEW OF BUSINESS**

The Group makes acquisitions and backs start-up businesses in the recruitment and human resource management sector.

Net Fee Income in the current period arises entirely from core recruitment activity, and continues to show growth despite the challenging economic climate.

The Group has reported an operating loss of £1,730k (2018: loss £345k). During the year, the Group acquired a majority shareholding of Henlow Recruitment Group for an initial consideration of £13.5 million with further payments dependent upon future performance (further detail is included within note 10 to the financial statements). Henlow operates in a niche providing QuantTech specialists. The Group has also backed a number of recruitment start-ups during the year. These developments align with the Group's strategy of backing quality management teams whilst diversifying the Group, both sectorially and geographically. The increased scale of the Group has provided a platform for supply into markets that are less affected by economic conditions. The Board remains confident that this will ensure growth in profitability from the portfolio in the next financial period.

The Board has identified the greatest risk to the business as being macro-economic and political factors affecting the expected returns from its operating subsidiaries. A detailed review of Group businesses has been completed to consider possible impacts and mitigations arising from the UK's imminent departure from the European Union. A number of specific actions have been taken. The Board's strategy has been to improve market share in private sector markets through targeted acquisition and investment across the business including the development of a number of innovative technology solutions. The business now operates internationally with offices in Germany, Ireland (via a branch), Australia and in North America and is looking to further expand its international operations in the forthcoming period.

The Group consolidated balance sheet has negative net assets driven by shareholder loans and accrued and rolled up interest on these balances. These loans are due for repayment in 2024 or upon a change of ownership, if earlier. As such, the adoption of the Going Concern principal remains appropriate.

**Key performance indicators**

The Directors consider the key performance indicators to be Net Fee Income, operating profit and Contractor numbers.

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Net fee income	62,761k	55,474k
Operating loss	(1,730k)	(345k)
	<b>No.</b>	<b>No.</b>
Average weekly contractor numbers	5,363	4,799

**Group Strategic Report  
for the period 31 March 2018 to 29 March 2019**

---

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Economic and Commercial Risks**

The directors have assessed the main risk facing the Group as being the macro-economic and political factors impacting customer prosperity to hire and recruit staff. The Group's strategy has been to improve market share in private sector markets through targeted acquisition and investment across the business including the development of a number of innovative technology solutions. The business now operates internationally with offices in Germany, Ireland (via a branch), Australia and in North America and is looking to further expand its international operations in the forthcoming period.

**Credit risk**

The Group's principal financial assets are bank balances and cash, trade and other debtors, and investments. The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for expected credit loss. The credit risk on liquid funds is constantly monitored to manage exposure.

**Liquidity risk**

The Group manages its liquidity needs by carefully monitoring cash outflows due in its day-to-day business operations. The Group manages liquidity risk by monitoring in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs and risk for a 180-day and a 360-day lookout period are monitored monthly. The debt of the investor loan notes is listed on the International Stock Exchange, Jersey.

The Group maintains cash to meet its liquidity requirements for up to 30-day periods. Funding in regard to long-term liquidity needs is additionally secured by an adequate amount of committed financing facilities.

**Interest risk**

The Group manages its interest risk by selecting to have 73% of its debt at a fixed rate. The remaining debt is subject to a floating rate. The Group does not feel it necessary to hedge against this given the short term interest outlook.

**Financial risk management objectives and policies**

The Group makes little use of financial instruments other than operational bank accounts and invoice discounting. The Company has in place a risk management programme which seeks to limit the adverse effect of the financial performance of the Company by monitoring the level of debt finance and the related finance costs.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

**Technology Systems**

The Company is reliant on a number of technology systems in providing its services to clients. These systems are located both in-house and in various data centres. The business continues to review and enhance its ability to cope with the loss of a technology system as a result of a significant event.

**Regulatory Environment**

The staffing industry is governed by an increasing level of compliance. Additionally, clients require more complex levels of compliance in their contractual arrangements. The Group takes its responsibilities seriously, is committed to meeting all of its regulatory responsibilities, which includes changes to national minimum wage legislation and continues to develop its internal controls and processes with respect to legal and contractual obligations.

**Group Strategic Report  
for the period 31 March 2018 to 29 March 2019**

---

**Brexit**

The Group actively monitors its market environment at sub-sector levels to ensure it understands the demand and supply factors which may impact it - even before the original vote to leave the European Union. The business has limited reliance on Europe (e.g. supplying only a limited number of contractors from the UK into mainland Europe; generating the majority of non-UK NFI in North America and non-EU territories). In addition, the business already has Irish and German subsidiaries, which if necessary, would serve as a means to continue supplying workers to any roles within the EU should there be any short-term disruption. The Group has prepared for a number of Brexit outcome scenarios and is confident that the Group is as well placed as it could be from a structural, operational and tactical level.


**FUTURE DEVELOPMENTS**

The directors expect the general level of activity to increase over the forthcoming period. This is a result of ongoing investment in key target markets, a heightened focus on delivering what the customer wants and through investment in new IT platforms.

**POST BALANCE SHEET EVENTS**

There are no reportable post balance sheet events other than those identified in the business review.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'A J Burchall', is written over a dotted line.

A J Burchall - Director

12 September 2019

**Report of the Directors  
for the period 31 March 2018 to 29 March 2019**

---

The directors present their annual report with the financial statements of the Company and the Group for the 52 week period from 31 March 2018 to 29 March 2019. An indication of likely future developments in the business of the Company, statement on the going concern assumption, review of the performance of the Group and presentation of key performance indicators are included in the strategic report.

**DIVIDENDS**

No dividends have been recommended nor will be distributed for the period ended 29 March 2019.

**DIRECTORS**

The directors who served during the period and up to the date of this report, were:

A J Burchall  
T J Cook  
A Herron  
G W Lloyd

**DIRECTORS' INDEMNITIES**

The Company has qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**GOING CONCERN**

The Group and Company's financial statements have been prepared on a going concern basis. The Group is reliant for its working capital on the existing invoice discounting and banking facilities. The directors have completed a detailed review of current trading which has included consideration of the financial position as at the date of approval of these financial statements and the projected results and financial position covering the next 12 months. Notwithstanding the Group net liability position of £30,755k, the directors are confident that the Group will continue to generate positive cash flows from trading activities for the foreseeable future sufficient to meet trading liabilities as they fall due. The shareholder loans are only repayable if the principal ownership and control of the entity is transferred or sold.

**POLITICAL CONTRIBUTIONS**

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the period.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial risk management is discussed in the Strategic Report.

**DISABLED EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**EMPLOYEE CONSULTATION**

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings, the Company magazine and a special edition for employees of the annual financial statements. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

**Report of the Directors  
for the period 31 March 2018 to 29 March 2019**

---

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of the s418 of the Companies Act 2006.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP were appointed as auditors during the period and will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This Directors' Report was approved by the board on 12 September 2019 and signed on its behalf.

**ON BEHALF OF THE BOARD:**



A J Burchall - Director

12 September 2019



**Statement of Directors' Responsibilities  
for the period 31 March 2018 to 29 March 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 period. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law Financial Reporting Standard 101 Reduced Disclosure Framework). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

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

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.

**Report of the Independent Auditors to the Members of  
Westminster Topco Limited**

---

**Opinion**

We have audited the financial statements of Westminster Topco Limited ('the parent company') and its subsidiaries (the 'Group') for the 52 week period ended 29 March 2019 which comprise the Consolidated Statement of Profit or Loss Account, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Cash Flows and related notes, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Statement of Changes in Equity and the related notes 1 to 29, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the Group's and of the parent company's affairs as at 29 March 2019 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance in with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 below. We are independent of the Group and parent 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 other information comprises the information included in the annual report set out on pages 2-6, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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,

## **Report of the Independent Auditors to the Members of Westminster Topco Limited**

---

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Report of the Independent Auditors to the Members of  
Westminster Topco 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.

  
\_\_\_\_\_

Andrew Clewer (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
SE1 2AF

12 September 2019

**WESTMINSTER TOPCO LIMITED (REGISTERED NUMBER: 09307871)**

**Consolidated Statement of Profit or Loss  
for the period 31 March 2018 to 29 March 2019**

	Notes	Period 31.3.18 to 29.3.19 £'000	Period 1.4.17 to 30.3.18 £'000
<b>CONTINUING OPERATIONS</b>			
Revenue	4	377,334	350,155
Cost of sales		<u>(314,573)</u>	<u>(294,681)</u>
<b>GROSS PROFIT</b>		<b>62,761</b>	<b>55,474</b>
Administrative expenses		<u>(55,005)</u>	<u>(48,521)</u>
<b>OPERATING PROFIT before exceptional items and amortisation of intangibles</b>		<b>7,756</b>	<b>6,953</b>
Exceptional remuneration	7	<u>(1,304)</u>	-
<b>OPERATING PROFIT before amortisation of intangibles</b>		<b>6,452</b>	<b>6,953</b>
Amortisation of intangibles	7	<u>(8,182)</u>	<u>(7,298)</u>
<b>OPERATING LOSS</b>		<b>(1,730)</b>	<b>(345)</b>
Finance costs	6	<u>(8,858)</u>	<u>(8,051)</u>
<b>LOSS BEFORE TAX</b>		<b>(10,588)</b>	<b>(8,396)</b>
Tax credit/(expense)	9	<u>2,141</u>	<u>(112)</u>
<b>LOSS FOR THE PERIOD</b>		<b><u>(8,447)</u></b>	<b><u>(8,508)</u></b>
Loss attributable to:			
Owners of the parent		<u>(9,024)</u>	<u>(9,204)</u>
Non-controlling interests		<u>577</u>	<u>696</u>
<b>LOSS FOR THE PERIOD</b>		<b><u>(8,447)</u></b>	<b><u>(8,508)</u></b>

**WESTMINSTER TOPCO LIMITED (REGISTERED NUMBER: 09307871)**

**Consolidated Statement of Other Comprehensive Income  
for the period 31 March 2018 to 29 March 2019**

	Period 31.3.18 to 29.3.19 £'000	Period 1.4.17 to 30.3.18 £'000
<b>LOSS FOR THE PERIOD</b>	<b>(8,447)</b>	<b>(8,508)</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>(8,447)</u></b>	<b><u>(8,508)</u></b>
Total comprehensive income attributable to:		
Owners of the parent	(9,024)	(9,204)
Non-controlling interests	<u>577</u>	<u>696</u>

**WESTMINSTER TOPCO LIMITED (REGISTERED NUMBER: 09307871)**

**Consolidated Statement of Financial Position  
29 March 2019**

	Notes	2019 £'000	2018 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	10	22,916	17,696
Intangible assets	11	39,508	41,202
Property, plant and equipment	12	<u>2,211</u>	<u>1,655</u>
		<u>64,635</u>	<u>60,553</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	14	69,486	61,588
Cash and cash equivalents	15	6,661	3,692
Tax receivable		<u>608</u>	<u>-</u>
		<u>76,755</u>	<u>65,280</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	60,849	50,373
Financial liabilities - borrowings			
Interest bearing loans and borrowings	17	1,026	500
Tax payable		-	547
Provisions	19	<u>869</u>	<u>-</u>
		<u>62,744</u>	<u>51,420</u>
<b>NET CURRENT ASSETS</b>		<b>14,011</b>	<b>13,860</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	17	101,706	89,381
Deferred tax	20	6,270	7,344
Provisions	19	<u>1,946</u>	<u>517</u>
		<u>109,922</u>	<u>97,242</u>
<b>NET LIABILITIES</b>		<b><u>(31,276)</u></b>	<b><u>(22,829)</u></b>

WESTMINSTER TOPCO LIMITED (REGISTERED NUMBER: 09307871)

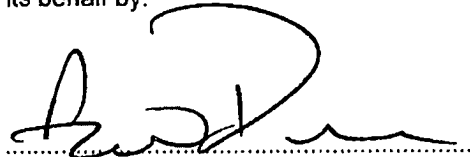
Consolidated Statement of Financial Position - continued  
29 March 2019

---

**SHAREHOLDERS' EQUITY**

Called up share capital	22	140	140
Share premium	23	338	338
Retained earnings	23	<u>(34,755)</u>	<u>(25,731)</u>
Equity attributable to owners of the parent		<b>(34,277)</b>	<b>(25,253)</b>
Non-controlling interests	21	<u>3,001</u>	<u>2,424</u>
<b>TOTAL EQUITY</b>		<b><u>(31,276)</u></b>	<b><u>(22,829)</u></b>

The financial statements were approved by the Board of Directors on 12 September 2019 and were signed on its behalf by:



A J Burchall - Director

The notes form part of these financial statements



**WESTMINSTER TOPCO LIMITED (REGISTERED NUMBER: 09307871)**

**Company Statement of Financial Position  
29 March 2019**

	Notes	2019 £'000	2018 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investments	13	-	-
<b>CURRENT ASSETS</b>			
Trade and other receivables	14	1,820	2,068
Cash and cash equivalents		-	-
Tax receivable		-	56
		<u>1,820</u>	<u>2,124</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	20	9
<b>NET CURRENT ASSETS</b>			
		<u>1,800</u>	<u>2,115</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	17	2,318	2,290
<b>NET LIABILITIES</b>			
		<u>(518)</u>	<u>(175)</u>
<b>SHAREHOLDERS' DEFICIT</b>			
Called up share capital	22	140	140
Share premium	23	338	338
Retained earnings	23	<u>(996)</u>	<u>(653)</u>
<b>TOTAL DEFICIT</b>			
		<u>(518)</u>	<u>(175)</u>

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £343k (2018 – loss of £202k).

The financial statements were approved by the Board of Directors on 12 September 2019 and were signed on its behalf by:

  
A J Burchall - Director

The notes form part of these financial statements

WESTMINSTER TOPCO LIMITED (REGISTERED NUMBER: 09307871)

Consolidated Statement of Changes in Equity  
for the period 31 March 2018 to 29 March 2019

GROUP	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Currency translation reserve £'000	Total £'000	Non-control ling interests £'000	Total equity £'000
Balance at 1 April 2017	140	338	(16,527)	-	(16,049)	1,688	(14,361)
Changes in equity							
Non-controlling interest arising on business combination	-	-	-	-	-	40	40
Profit or loss and total comprehensive income	-	-	(9,204)	-	(9,204)	696	(8,508)
	140	338	(25,731)	-	(25,253)	2,424	(22,829)
Balance at 30 March 2018							
Changes in equity							
Profit or loss and total comprehensive income	-	-	(9,024)	-	(9,024)	577	(8,447)
Balance at 29 March 2019	140	338	(34,755)	-	(34,277)	3,001	(31,276)

The notes form part of these financial statements

WESTMINSTER TOPCO LIMITED (REGISTERED NUMBER: 09307871)

Company Statement of Changes in Equity  
for the period 31 March 2018 to 29 March 2019

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
<b>Balance at 1 April 2017</b>	140	(451)	338	27
<b>Changes in equity</b>				
Profit or loss and total comprehensive loss	-	(202)	-	(202)
<b>Balance at 30 March 2018</b>	<u>140</u>	<u>(653)</u>	<u>338</u>	<u>(175)</u>
<b>Changes in equity</b>				
Profit or loss and total comprehensive loss	-	(343)	-	(343)
<b>Balance at 29 March 2019</b>	<u>140</u>	<u>(996)</u>	<u>338</u>	<u>(518)</u>

The notes form part of these financial statements

**Consolidated Statement of Cash Flows**  
for the period 31 March 2018 to 29 March 2019

		Period 31.3.18 to 29.3.19 £'000	Period 1.4.17 to 30.3.18 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	i	13,054	1,840
Interest paid		(1,673)	(1,160)
Tax paid		(1,208)	(879)
Net cash from operating activities		<u>10,173</u>	<u>(199)</u>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	10	(5,107)	(5,084)
Purchase of intangible fixed assets	11	(201)	(463)
Purchase of tangible fixed assets	12	(1,350)	(1,263)
Net cash from investing activities		<u>(6,658)</u>	<u>(6,810)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year	iii	(750)	(500)
Increase in shareholder loans	iii	33	-
Movement of invoice discounting facility	iii	171	6,953
Net cash from financing activities		<u>(546)</u>	<u>6,453</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>2,969</u>	<u>(556)</u>
<b>Cash and cash equivalents at beginning of period</b>	ii	<u>3,692</u>	<u>4,248</u>
<b>Cash and cash equivalents at end of period</b>	ii	<u><u>6,661</u></u>	<u><u>3,692</u></u>

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows  
for the period 31 March 2018 to 29 March 2019

i. RECONCILIATION OF LOSS BEFORE TAX (EXPENSE)/CREDIT TO CASH GENERATED FROM OPERATIONS

		Period 31.3.18 to 29.3.19 £'000	Period 1.4.17 to 30.3.18 £'000
Loss before tax (expense)/credit		(10,588)	(8,396)
Depreciation and amortisation	7	9,091	8,114
Changes in provisions	19	2,298	95
Finance costs	6	8,858	8,051
		<u>9,659</u>	<u>7,864</u>
Increase in trade and other receivables		(6,124)	(6,346)
Increase in trade and other payables		<u>9,519</u>	<u>321</u>
<b>Cash generated from operations</b>		<u><b>13,054</b></u>	<u><b>1,840</b></u>

ii. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 29 March 2019

	29.3.19 £'000	31.3.18 £'000
Cash and cash equivalents	<u>6,661</u>	<u>3,692</u>

Period ended 30 March 2018

	30.3.18 £'000	1.4.17 £'000
Cash and cash equivalents	<u>3,692</u>	<u>4,248</u>

Notes to the Consolidated Statement of Cash Flows  
for the period 31 March 2018 to 29 March 2019

iii. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Period ended 29 March 2019

	31.03.18 £'000	Cashflows £'000	Acquisition related £'000	Accrued Interest £'000	Reclass £'000	Other £'000	29.03.19 £'000
Current interest bearing invoice discounting borrowings	12,429	171	-	-	-	-	12,601
Non-current interest bearing shareholder loan notes	68,598	-	-	7,041	199	-	75,838
Current interest bearing bank loans	500	(750)	-	126	1,000	150	1,026
Non-current interest bearing bank loans	18,150	-	-	-	(1,000)	(150)	17,000
Non-current interest bearing staff loans	2,633	33	5,639	762	(199)	-	8,868
<b>Total liabilities from financing activities</b>	<b>102,310</b>	<b>(546)</b>	<b>5,639</b>	<b>7,929</b>	<b>-</b>	<b>-</b>	<b>115,332</b>

The notes form part of these financial statements

**WESTMINSTER TOPCO LIMITED (REGISTERED NUMBER: 09307871)**

**Notes to the Consolidated Statement of Cash Flows  
for the period 31 March 2018 to 29 March 2019**

**iii. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

**Period ended 30 March 2018**

	<b>1.04.17 £'000</b>	<b>Cashflows £'000</b>	<b>Acquisition related £'000</b>	<b>Accrued Interest £'000</b>	<b>Reclass £'000</b>	<b>Other £'000</b>	<b>30.03.18 £'000</b>
Current interest bearing Invoice discounting borrowings	<b>5,476</b>	6,953	-	-	-	-	<b>12,429</b>
Non-current interest bearing shareholder loan notes	<b>64,299</b>	-	-	4,299	-	-	<b>68,598</b>
Current interest bearing bank loans	<b>500</b>	(500)	-	-	500	-	<b>500</b>
Non-current interest bearing bank loans	<b>18,422</b>	-	-	-	(500)	228	<b>18,150</b>
Non-current interest bearing staff loans	<b>269</b>	-	-	-	-	2,364	<b>2,633</b>
<b>Total liabilities from financing activities</b>	<b>88,966</b>	<b>6,453</b>	<b>-</b>	<b>4,299</b>	<b>-</b>	<b>2,592</b>	<b>102,310</b>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements  
for the period 31 March 2018 to 29 March 2019**

---

**1. SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies and measurement bases have been applied consistently in dealing with items which are considered material in relation to the financial statements.

During the period ended 29 March 2019, the company adopted IFRS 15 – Revenue from Customers and IFRS 9 – Financial Instruments for the first time. The nature and effect of this adoption resulted in no adjustments to the financial statements.

IFRS 15 supersedes IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Group adopted IFRS 15, with the effect of the transition on the current period resulting in no adjustments to the financial statements. Further detail on the accounting policies adopted under IFRS 15 is disclosed within note 3.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The Group has applied IFRS 9 with the effect of the transition resulting in no adjustments to the financial statements on the current period. The adoption of IFRS 9 has had no impact on the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

Of the adoption of any new accounting standards, the directors only expect IFRS 16 to have a material impact on the financial statements of the Group in future periods. The current operating lease expense is £1,307k, with IFRS 16 expected to increase the Group's operating profit and net debt due to the number of off balance sheet property leases that exist within the Group. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until a detailed review has been completed. Further detail on the operating lease commitments can be seen in Note 18.

There are no other new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements that are expected to have a material impact on the consolidated financial statements.

**2. STATUTORY INFORMATION**

Westminster Topco 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 General Information page. The company is the ultimate parent of the Westminster Topco Group, which makes acquisitions and backs start-up businesses in the recruitment and human resource management sector.



Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

---

3. ACCOUNTING POLICIES

**Basis of preparation**

The Group's consolidated financial statements and parent company financial statements are presented in pounds sterling, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis.

The Company's financial statements were prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework and have also been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons.

The Group is reliant for its working capital on existing invoice discounting and banking facilities. The directors have completed a detailed review of current trading which has included consideration of the financial position as at the date of approval of these financial statements and the projected results and financial position covering the next 12 months. Notwithstanding the Group net liability position of £31,276k, the directors are confident that the Group will continue to generate positive cash flows from trading activities for the foreseeable future, and the Group will continue in operational existence by meeting their liabilities as they fall due for payment.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to the financial period end on or around 31 March each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

---

3. ACCOUNTING POLICIES - continued

- shareholders' meetings.
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting, when applicable, the costs on initial recognition of an investment in an associate or a joint venture.

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

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 areas of estimation uncertainty which have the most significant effect on amounts recognised in the financial statements relate to the assessment of initial value and useful economic life of customer relationships, and the assessment of initial value and potential need for subsequent impairment of goodwill.

In reviewing the appropriateness of the initial value of customer relationships and goodwill, and useful economic life of customer relationships, consideration has been made to the current revenue sourced from customers in place at the time of acquisition of each business, all of which comfortably support the economic lives adopted by the Group. Please see note 11 for the initial cost and current net book values recorded in the financial statements.

**Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019**

---

**3. ACCOUNTING POLICIES – continued**

In reviewing the appropriateness of the carrying value of customer relationships and goodwill, consideration has been made to the net present value of the forecast profitability and cash generation of each business, all of which comfortably support the carrying value recognised by the Group. Please see note 10 for the carrying value of each business recorded in the financial statements and the judgements used by management in assessing these.

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 if it affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**Critical judgements in applying the group's accounting policies**

In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies that have had a significant effect on the amounts recognised in the financial statements.

**Key sources of estimation uncertainty**

The directors do not consider there to be any key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Business combinations**

The Group accounts for business combinations in accordance with IFRS 3, 'Business Combinations (2008)' using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred, liabilities incurred and the equity interests of the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Any contingent consideration payable is recognised at fair value at the acquisition date with subsequent changes to the fair value being recognised in profit or loss. Payments for termination of employment post deal are treated as remuneration under the conditions of the standard.

Acquisition costs are expensed as incurred.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately. Annual impairment reviews are subsequently performed on these assets.

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value.

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

3. ACCOUNTING POLICIES – continued

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**Revenue**

In accordance with IFRS 15, revenue is recognised when performance obligations are met on all sales contracts and measured at the transaction price, being the fair value of the consideration received or receivable. It represents amounts receivable for provision of staff and related services, provided in the normal course of business, net of discounts and VAT.

The transaction price is fully allocated to the performance obligations, which are recognised as follows:

- Revenue arising from the placement of permanent candidates is recognised at the time the candidate is expected to commence full-time employment.
- Revenue arising from temporary placements and managed service provisions is recognised over the period that temporary workers are provided and represents the amounts billed for the services of the temporary workers, including the remuneration costs of the temporary workers.
- Revenue arising from fees associated with the introduction of temporary candidates to preferred suppliers is recognised over the period that the associated temporary workers are provided. Revenue is earned as a fixed fee per timesheet processed.
- Revenue recognised from temporary contract assignments and permanent placements, but not yet invoiced, at the reporting date, is correspondingly accrued on the balance sheet within "accrued income" as part of "trade and other receivables". No provision is made for the cancellation of placements prior to or shortly after the commencement of employment.

**Segmental reporting**

The Group operates in one segment, however certain additional disclosures beyond those required have been presented voluntarily. These have been identified based on internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) to assess their performance. The Group determines the CODM to be the Board of Directors.

**Intangible assets**

**Assets acquired as part of a business combination**

In accordance with IFRS 3 Business Combinations, an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. A valuation is undertaken in order to assess the fair value of intangible assets acquired in a business combination.

The fair value is amortised over the economic life of the asset as detailed below. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the group of assets is recognised as a single asset separately from goodwill where the individual fair values of the assets in the Group are not reliably measurable. Where the individual fair values of the complementary assets are reliably measurable, the Group recognises them as a single asset provided the individual assets have similar useful lives.

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

---

3. ACCOUNTING POLICIES - continued

The fair value is amortised over the economic life of the asset as detailed below. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the group of assets is recognised as a single asset separately from goodwill where the individual fair values of the assets in the Group are not reliably measurable. Where the individual fair values of the complementary assets are reliably measurable, the Group recognises them as a single asset provided the individual assets have similar useful lives.

**Customer contracts and Customer Lists**

The fair value of acquired customer contracts and customer lists is capitalised and, subject to impairment reviews, amortised over the estimated life of the customer contracts and customer lists acquired (estimated to be 3 to 9 years). The amortisation is calculated to write off the fair value of the customer contracts and customer lists less their estimated residual values over their estimated lives. An impairment review of customer contracts and customer lists is undertaken when events or circumstances indicate the carrying amount may not be recoverable.

**Software development costs**

Software development costs are carried at acquisition cost less amortisation and any provision for impairment. Amortisation is charged on cost less estimated residual value, which is assessed annually on the following basis over the estimated useful economic life of 3 years on a straight line basis.

**Property, plant and equipment**

Long term leasehold property, furniture and equipment, computer equipment and fixtures and fittings are carried at acquisition cost less depreciation and any provision for impairment. Depreciation is charged on cost less estimated residual value, which is assessed annually on the following basis over the estimated useful economic life of each asset:

Improvements to property	- over the lower of the asset's useful life and term of lease
Fixtures and fittings	- over the lower of the asset's useful life and term of lease
Computer equipment	- 25% - 33% Straight Line
Plant and machinery	- 10% - 20% Straight Line
Motor vehicles	- 33% reducing balance

**Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

---

3. ACCOUNTING POLICIES - continued

**Financial instruments**

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. Financial assets principally relate to trade and other receivables, which are initially measured at the transaction price as determined under IFRS 15. These are then subsequently measured at amortised costs, as are prepayments and accrued income. The classification and measurement requirements of IFRS 9 did not have a significant impact on the Group, as the Group continued measuring all financial assets previously held at fair value under IAS 39 at fair value. The adoption of IFRS 9 has had no impact on the Group's accounting for impairment losses for financial assets, as the replacement of IAS 39's incurred loss approach with the forward-looking expected credit loss (ECL) approach had no net impact.

Financial liabilities principally relate to trade and other payables, bank loans, accruals and deferred income, and funds in use from the invoice discounting facility. Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The Group's financial liabilities are measured at fair value, with the bank loans being net of attributable transaction costs.

**Trade receivables**

Trade receivables are initially recognised at fair value and are carried at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Trade receivables subject to the invoice discounting facility are recognised in the Balance Sheet until they are settled by the customer.

**Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and overdrafts.

**Trade payables**

Trade payables are initially recognised at fair value and are carried at amortised cost.

**Borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable issue costs. Finance charges, including premiums payable on settlement or redemption and direct-issue costs, are accounted for on an accrual basis in the income statement using the effective interest rate method.

**Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event and where it is probable that an outflow will be required to settle the obligation. Long term provisions are discounted to their present values, where time value of money is material. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

---

3. ACCOUNTING POLICIES - continued

**Foreign currencies**

The Group financial statements are presented in the Group's presentation currency, sterling. The results and financial position for any Group companies whose results are measured in other currencies are translated in to the Group's presentational currency at the monthly average exchange rate (for income statement items) and the monthly closing exchange rate (for balance sheet accounts). Foreign currency transactions are translated in to the functional currency of each business using the monthly average exchange rate at the date of the transaction. All exchange differences are recognised in the income statement.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxable profit differs from net profit as reported in the income statement 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 balance sheet date.

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

3. ACCOUNTING POLICIES - continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Current tax and deferred tax for the year**

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**Interest income and expense**

All interest income and expenses are recognised in the income statement in the period in which it is incurred using the effective interest method. Arrangement fees incurred in respect of borrowings are amortised over the term of the agreement.

**Pensions**

The Group operates a defined contribution scheme for employees. The Group pays fixed contributions and the assets of the scheme are held separately from those of the Group in an independently administered fund. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. Contributions recognised in respect of personal pension plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short term nature.

**Impairment**

Goodwill, other intangible assets and property, plant and equipment are subject to annual impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Company at which management monitors the related cash flows.

Goodwill is tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell, and value in use based on an internal discounted cash flow evaluation. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.



Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

3. ACCOUNTING POLICIES - continued

**Equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

4. REVENUE

All revenue is attributable to the principal activity of the Group.

An analysis of revenue by class of business is as follows:

	2019 £000	2018 £000
Temporary	295,241	288,288
Permanent	17,910	16,626
Account management	62,972	44,122
Introductions to preferred suppliers	1,211	1,119
	<u>377,334</u>	<u>350,155</u>

The Board of Directors monitors the business along one activity line, individual brands. In assessing the Group's reportable segment, the directors have had regard to the similar economic characteristics, the shared client base, the similar nature of the services and their long-term margins, amongst other factors. Brands revenue for the period ended 31 March 2018 and 29 March 2019.

	2019 £000	2018 £000
Revenue - from external parties		
Eden Brown	84,326	88,621
Caritas	53,955	58,905
Resourcing Group	99,041	81,880
Proactive	16,360	14,470
Retinue Solutions	35,892	42,342
Setsquare	9,854	9,332
GCS	39,776	30,342
All other businesses	38,128	24,263
	<u>377,334</u>	<u>350,155</u>

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

4. REVENUE - continued

Other information

The Group's revenue by geographical location was:

	2019 £000	2018 £000
Revenue - from external parties		
UK	346,266	335,928
Europe	12,042	8,688
Rest of the world	19,026	5,539
	<u>377,334</u>	<u>350,155</u>

5. EMPLOYEES AND DIRECTORS

	Period 31.3.18 to 29.3.19 £'000	Period 1.4.17 to 30.3.18 £'000
Wages and salaries	35,393	31,362
Social security costs	3,583	3,444
Other pension costs	445	312
	<u>39,421</u>	<u>35,118</u>

The average monthly number of employees during the period was as follows:

	Period 31.3.18 to 29.3.19	Period 1.4.17 to 30.3.18
Sales	539	515
Operations	121	177
	<u>660</u>	<u>692</u>

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

5. EMPLOYEES AND DIRECTORS - continued

	Period 31.3.18 to 29.3.19 £'000	Period 31.3.17 to 30.03.18 £'000
Directors' remuneration	953	840
Contributions to defined contribution scheme	28	22
	<u>981</u>	<u>862</u>

During the period retirement benefits were accruing to 2 directors (2018 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £386k (2018 £357k).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £14k (2018 £14k).

Included in wages and salaries is £1,304k of acquisition-related potential earn-out remuneration.

No staff are employed by Westminster Topco Limited, the standalone company.

6. NET FINANCE COSTS

	Period 31.3.18 to 29.3.19 £'000	Period 1.4.17 to 30.3.18 £'000
Finance costs:		
Bank interest	-	2
Other Interest	8,127	7,424
Interest on factoring facility	731	625
	<u>8,858</u>	<u>8,051</u>

7. LOSS BEFORE TAX (EXPENSE)/CREDIT

	Period 31.3.18 to 29.3.19 £'000	Period 1.4.17 to 30.3.18 £'000
Depreciation - owned assets	909	816
Amortisation	8,182	7,298
Operating lease costs	1,307	1,307
Expected credit losses	566	305
Foreign exchange differences	108	175
Acquisition related costs	309	155
Exceptional remuneration	1,304	-

**Notes to the Consolidated Financial Statements - continued**  
**for the period 31 March 2018 to 29 March 2019**

**7. LOSS BEFORE TAX (EXPENSE)/CREDIT - continued**

Exceptional remuneration is in respect of acquisition-related deferred consideration due on the achievement of performance criteria

**8. AUDITORS' REMUNERATION**

	Period 31.3.18 to 29.3.19 £'000	Period 1.4.17 to 30.3.18 £'000
Fees payable to the Company's auditor and its associates in respect of:		
Audit of the Company's annual accounts	10	17
The auditing of accounts of associates of the company	235	208
Other services in relation to tax compliance services	75	40
	<u>320</u>	<u>265</u>

**9. TAX (CREDIT)/EXPENSE****Analysis of tax (income)/expense**

	Period 31.3.18 to 29.3.19 £'000	Period 1.4.17 to 30.3.18 £'000
Current tax:		
UK corporation tax	(820)	1,273
Adjustments in respect of current income tax of previous year	877	-
	<u>57</u>	<u>1,273</u>
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,821)	(1,161)
Adjustments in respect of deferred tax of previous year	(380)	-
Effect of changes in tax rates	3	
	<u>(2,198)</u>	<u>(1,161)</u>
Total tax (income)/expense in consolidated statement of profit or loss	(2,141)	112

**Notes to the Consolidated Financial Statements - continued**  
**for the period 31 March 2018 to 29 March 2019**

**9. TAX (CREDIT)/EXPENSE - continued****Factors affecting the tax expense**

The tax assessed for the period is lower (2018 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>Period 31.3.18 to 29.3.19 £'000</b>	<b>Period 1.4.17 to 30.3.18 £'000</b>
Loss before income tax	<u><b>(10,588)</b></u>	<u><b>(8,396)</b></u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	<b>(2,013)</b>	<b>(1,595)</b>
Effects of:		
Adjustments in respect of prior periods	<b>497</b>	<b>1,564</b>
Expenses not deductible	<b>1,202</b>	<b>-</b>
Tax rate changes	<b>22</b>	<b>143</b>
Effects of overseas tax rates	<b>(79)</b>	<b>-</b>
Amortisation	<b>(1,627)</b>	<b>-</b>
Group relief	<b>(118)</b>	<b>-</b>
Amounts not recognised	<b>(25)</b>	<b>-</b>
Tax (income)/expense	<u><b>(2,141)</b></u>	<u><b>112</b></u>

**Factors that may affect future tax charges**

The UK corporation tax rate will reduce to 17% by 2020. A reduction in the rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015, and a further reduction to 17% (effective from 1 April 2020) was also substantively enacted in the 2016 Finance Act.

This will reduce the Company's future current tax charge accordingly.

**Notes to the Consolidated Financial Statements - continued**  
**for the period 31 March 2018 to 29 March 2019**

**10. GOODWILL**

<b>Group</b>	<b>£'000</b>
<b>COST</b>	
At 31 March 2018	<b>17,892</b>
Acquisition (note 10)	<u>5,220</u>
At 29 March 2019	<u><b>23,112</b></u>
<b>IMPAIRMENT</b>	
At 31 March 2018 and 29 March 2019	<u><b>196</b></u>
<b>NET BOOK VALUE</b>	
At 29 March 2019	<u><u><b>22,916</b></u></u>
At 30 March 2018	17,696

**Group**

The carrying value of goodwill relates to the acquisition of:

	<b>Cash generating unit</b>	<b>Date of acquisition</b>	<b>Carrying value £'000</b>
Retinue Solutions Limited	Retinue	November 2014	6,187
Eden Brown Limited	Eden Brown	November 2014	4,105
Caritas Recruitment Limited	Caritas	November 2014	2,870
Community Resourcing nGAGE Proactive Technical Recruitment Limited	Resourcing Group	November 2014	2,284
Proactive Limited	Proactive	November 2014	466
EWI Recruitment Limited	EWI	November 2014	240
Watson Limited	Watson	February 2016	85
GCS Recruitment Specialists Limited	GCS	May 2017	1,453
Qu Recruitment Limited	Qu	April 2017	6
Henlow Recruitment Limited	Henlow	November 2018	5,220
			<u><u><b>22,916</b></u></u>

**Notes to the Consolidated Financial Statements - continued**  
**for the period 31 March 2018 to 29 March 2019**

**10. GOODWILL - continued****Acquisition 2018 - Henlow Recruitment Group Ltd**

On 28th November 2018, through Henlow Bidco Limited, a 67% owned subsidiary, the group acquired 100% of the issued share capital of Henlow Recruitment Group Limited for consideration totalling £13.5 million.

The acquisitions are accounted for under the acquisition method. All costs of acquisition (£0.3 million) and integration were expensed during the year.

The following table sets out the fair values of the identifiable assets and liabilities acquired and their fair value to the group.

	<b>Fair Value</b>
	<b>£000</b>
Tangible Fixed Assets	114
Debtors	1,774
Cash	2,623
Current Liabilities	(1,354)
Long Term Liabilities	(11)
Intangible Fixed Assets	6,287
Long Term Liabilities – deferred tax	(1,123)
	<hr/> 8,310
Goodwill arising on acquisition	5,220
Discharged by cash, loan notes, and equity	<hr/> <hr/> 13,530

Acquisition proceeds were discharged by £7,730k of cash, £5,639k of loan notes, and £161k of equity, resulting in cash outflows on acquisition net of cash acquired of £5,107k. As part of the acquisition, additional consideration may be due on the successful achievement of performance criteria, up to a potential maximum of £5,489k. This is accounted for as remuneration (see note 5) with a provision being built up until the expected dates of payment.

Henlow Recruitment contributed £1,339k of Net Fee Income and £399k to the Group's operating profit for the period between the date of acquisition and the balance sheet date.

If the acquisition of Henlow had been completed on the first day of the financial year, it would have contributed Net Fee Income of £5,130k and operating profit of £2,418k to the Group.

**Acquisition 2017 – GCS Recruitment Holdings Limited**

On 18th May 2017, through GCS Bidco Limited, a 71.66% owned subsidiary, the group acquired 100% of the issued share capital of GCS Recruitment Holdings Limited for consideration comprising a cash payment of £5.7 million.

**Notes to the Consolidated Financial Statements - continued**  
**for the period 31 March 2018 to 29 March 2019**

**10. GOODWILL - continued**

The acquisitions are accounted for under the acquisition method. All costs of acquisition (£0.3 million) and integration were expensed during the year.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the group.

**GCS Recruitment Holdings Ltd**

	Fair Value £000
Tangible Fixed Assets	92
Debtors	3,468
Cash	333
Current Liabilities	(4,282)
Intangible Fixed Assets	5,653
Long Term Liabilities – deferred tax	(1,018)
	<u>4,246</u>
Goodwill arising on acquisition	1,454
Discharged by cash, loan notes, and equity	<u>5,700</u>

GCS Recruitment contributed £7,652k of Net Fee Income and £1,191k to the Group's operating profit for the period between the date of acquisition and the balance sheet date.

If the acquisition of GCS had been completed on the first day of the financial year, group Net Fee Income for the year would have been £9,038k and Group operating profit would have been £1,366k.

**Group**

None of the goodwill is expected to be deductible for income tax purposes.

Goodwill is reviewed and tested on an annual basis or more frequently if there is indication that goodwill might be impaired. Goodwill has been tested for impairment by comparing the carrying amount of each cash-generating unit (CGU), including goodwill, with the recoverable amount. The recoverable amounts of the CGUs are determined from value-in-use calculations.

The value-in-use is the present value of the cash flows expected to be generated by the CGU over a projection period together with a terminal value. The projection period is the time period over which future cash flows are predicted. The Company's methodology is to use a projection period of five periods. For periods after this five year period, the methodology applies a long term growth rate of 2% to derive a terminal value. Cash flow expectations exclude any future cash flows that may arise from restructuring or other enhancements to the cash generating activities of the CGU and reflect management's expectations of the range of economic conditions that may exist over the projection period.



**Notes to the Consolidated Financial Statements - continued**  
**for the period 31 March 2018 to 29 March 2019**

**10. GOODWILL - continued**

The key assumptions for the value-in-use calculations are as follows:

**Profit**

Based on the latest forecast for revenue and costs as approved by the Board and takes into consideration past experience and the current economic environment with regard to customer attrition rates and additions to the customer base.

Growth rates of between 0% and 5% (predominantly at 3%) have been used for the five year initial period calculated based on historical trading and 2% perpetual growth factor which does not exceed the long-term average potential growth rate of the respective operations.

**Discount rates**

The pre-tax rate used to discount the forecast cash flows is either 14.81% or 18.52% (2018: either 14.38% or 17.97%), based on the Group's estimated weighted average cost of capital and the risks specific to the relevant CGUs.

**Sensitivities**

Management considers the estimates on revenue and margin growth and the Group WACC to be the key assumptions in determining the carrying value of goodwill. Even with a sensitivity of negative growth rates of 2.5% on the underlying assumptions in all businesses, which is considered extremely remote based on the competitive strength of each business, an impairment of goodwill would not arise. Similarly, should the Group WACC be increased by 2.5% in excess of the underlying assumptions, no goodwill impairment would exist.

**11. INTANGIBLE ASSETS****Group**

	<b>Customer relationships</b>	<b>Software development costs</b>	<b>Totals</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>COST</b>			
At 31 March 2018	<b>62,001</b>	<b>2,081</b>	<b>64,082</b>
Acquisition of subsidiary (note 10)	6,287	-	6,287
Additions	-	201	201
At 29 March 2019	<u><b>68,288</b></u>	<u><b>2,282</b></u>	<u><b>70,570</b></u>
<b>AMORTISATION</b>			
At 31 March 2018	<b>21,778</b>	<b>1,102</b>	<b>22,880</b>
Amortisation for period	7,660	522	8,182
At 29 March 2019	<u><b>29,438</b></u>	<u><b>1,624</b></u>	<u><b>31,062</b></u>
<b>NET BOOK VALUE</b>			
At 29 March 2019	<u><b>38,850</b></u>	<u><b>658</b></u>	<u><b>39,508</b></u>
At 30 March 2018	<u><b>40,223</b></u>	<u><b>979</b></u>	<u><b>41,202</b></u>

**Notes to the Consolidated Financial Statements - continued**  
**for the period 31 March 2018 to 29 March 2019**

**12. PROPERTY, PLANT AND EQUIPMENT**

<b>Group</b>	<b>Improvements to property £'000</b>	<b>Plant and machinery £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Totals £'000</b>
<b>COST</b>					
At 31 March 2018	<b>1,269</b>	<b>713</b>	<b>176</b>	<b>3,015</b>	<b>5,173</b>
Acquisitions	7	33	33	42	114
Additions	<u>402</u>	<u>39</u>	<u>9</u>	<u>899</u>	<u>1,349</u>
At 29 March 2019	<b><u>1,678</u></b>	<b><u>785</u></b>	<b><u>218</u></b>	<b><u>3,956</u></b>	<b><u>6,636</u></b>
<b>DEPRECIATION</b>					
At 31 March 2018	<b>442</b>	<b>568</b>	<b>167</b>	<b>2,341</b>	<b>3,518</b>
Charge for period	<u>188</u>	<u>45</u>	<u>7</u>	<u>668</u>	<u>909</u>
At 29 March 2019	<b><u>630</u></b>	<b><u>613</u></b>	<b><u>174</u></b>	<b><u>3,009</u></b>	<b><u>4,427</u></b>
<b>NET BOOK VALUE</b>					
At 29 March 2019	<b><u>1,048</u></b>	<b><u>172</u></b>	<b><u>44</u></b>	<b><u>947</u></b>	<b><u>2,211</u></b>
At 30 March 2018	<b><u>827</u></b>	<b><u>145</u></b>	<b><u>8</u></b>	<b><u>675</u></b>	<b><u>1,655</u></b>

**13. INVESTMENTS**

	<b>Investments in Subsidiary undertakings £000</b>
<b>COMPANY</b>	
Cost and net book value	
At 31 March 2018	<u>-</u>
At 29 March 2019	<u>-</u>

The Company held £0.01 (2018: £0.01) of share capital in its wholly owned subsidiary Westminster Midco 1.

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company and are all registered at 222 Bishopsgate, London, EC2M 4QD, with the exception of:

- Retinue Solutions Limited: 1<sup>st</sup> Floor, Baird House, Milton Keynes Buckinghamshire, MK5 8FR
- GCS Inc: 90 Broad Street, 2<sup>nd</sup> Floor, New York, NY 10004, USA
- nGAGE Specialist Recruitment GmbH (previously nGAGE Proactive GmbH): Krausenstrasse 9-10, 10117 Berlin, Deutschland

**WESTMINSTER TOPCO LIMITED (REGISTERED NUMBER: 09307871)**

**Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019**

**13. INVESTMENTS - continued**

<b>Name</b>	<b>Class of shares</b>	<b>Company number</b>	<b>Holding</b>
Retinue Solutions Limited	Ordinary shares	07664187	100%
Community Resourcing Limited	Ordinary shares	04123649	100%
Eden Brown limited	Ordinary A & B shares	03643845	100%
HCIG Operations Limited	Investor & Management shares	06533365	100%
	Ordinary A & B shares		
Caritas Recruitment Limited	Deferred shares	06728939	81.39%
nGAGE Proactive Technical Recruitment Limited	Ordinary A shares	06857482	100%
Attenti Limited	Ordinary shares	06954218	100%
Synergy Recruitment Consultancy Limited	Ordinary shares	07637706	100%
EWI Recruitment Limited	Ordinary shares	07864306	68.73%
Inner Circle Recruitment Limited	Ordinary shares	08758376	100%
Butler Rose Recruitment Limited	Ordinary shares	08968041	73.13%
Myles Roberts	Ordinary shares	09989333	75%
nGAGE Proactive Technical Recruitment GmbH	Ordinary shares	HRB-1081 23	100%
Alphatec Limited	Ordinary shares	08840052	80.61%
FRG Recruitment Limited	Ordinary A & B shares	08771590	100%
Watson Limited	Ordinary A shares	02124693	98.89%
Setsquare Recruitment Limited	Ordinary shares	03696145	100%
QU Recruitment Limited	Ordinary shares	10287031	100%
GCS Bidco Limited	Ordinary shares	10713573	70.40%
GCS Recruitment Holdings Limited	Ordinary shares	06609808	70.40%
GCS Recruitment Specialists Limited	Ordinary shares	05609278	70.40%
GCS Inc	Ordinary shares		70.40%
Henlow Bidco Limited	Ordinary shares	11687490	67%
Ignition People Limited	Ordinary shares	11096431	80%
Henlow Recruitment Group Limited	Ordinary shares	10193200	67%

As discussed in Note 10, Henlow Recruitment Group Limited was acquired through Henlow Bidco Limited on 28<sup>th</sup> November 2018.

**Dormant companies**

3 Blue Dots Limited	Ordinary shares	04571595	100%
Technical Resourcing Solutions Limited	Ordinary shares	04571595	100%
Resourcing Group Limited	Ordinary shares	04833222	100%
Technical Resourcing Solutions Ps Limited	Ordinary shares	05641336	100%
VMS 365 Limited	Ordinary shares	04123649	100%
RG Managed Services Limited	Ordinary shares	08968001	100%
I-Resource Ltd	Ordinary shares	06954258	100%
MT Dormant Limited	Ordinary shares	11343897	100%

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

## 14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Current:				
Trade debtors	54,935	51,257	-	-
Amounts owed by group undertakings	-	-	1,820	2,068
Other debtors	2,835	878	-	-
Prepayments	1,590	728	-	-
Accrued income	10,126	8,724	-	-
	<u>69,486</u>	<u>61,588</u>	<u>1,820</u>	<u>2,068</u>

Trade and other receivables are usually due within 14 - 30 days and do not bear any interest. All trade receivables are subject to credit risk exposure. An allowance for impairment is made, on a customer by customer basis, where there is, based on previous experience, evidence of a likely reduction in the recoverability. The Company's exposure is spread over a large number of customers.

The fair value of these short term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

Management assess credit risk by using an external credit referencing agency to determine risk on each client and to apply an appropriate credit limit to that client. Management hold a 90 day debt review monthly, in which it reviews any client at or over their credit limit and take appropriate action. Management believe there to be minimal risk in the current profile and that sufficient provision has been made.

The Company has access to a working capital finance facility provided by its bankers. These facilities comprise a confidential trade receivables finance facility secured by a fixed and floating charge over the Group's assets. The confidential trade receivables finance facility is secured specifically against the Company trade receivables. Trade receivables which have been discounted are included with trade receivables within current assets in the Company statement of financial position.

Amounts owed by group undertakings are unsecured, have no interest and are repayable on demand.

The movement on the provision for impairment of trade receivables is as follows:

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

14. TRADE AND OTHER RECEIVABLES – continued

GROUP

	2019 £000	2018 £000
At start of the period	595	459
(Release) / Charge for the period	566	305
Uncollectable amounts written off	(264)	(169)
	<u>898</u>	<u>595</u>

The ageing analysis of the trade receivables past due is as follows

	2019 £000	2018 £000
<b>Past due but not impaired</b>		
Less than 1 month past due	41,870	35,740
1 - 6 months past due	12,843	15,287
More than 6 months, less than 12 months past due	<u>1,120</u>	<u>825</u>
	<u>55,833</u>	<u>51,852</u>

Past due and impaired		
Less than 1 month past due	-	-
1 - 6 months past due	-	-
More than 6 months, less than 12 months past due	898	595
More than 12 months past due	<u>-</u>	<u>-</u>
	<u>898</u>	<u>595</u>
	<u>54,935</u>	<u>51,257</u>

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

15. CASH AND CASH EQUIVALENTS

	Group	
	2019 £'000	2018 £'000
Bank accounts	<u>6,661</u>	<u>3,692</u>

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Current:				
Trade creditors	27,828	21,265	-	(1)
Invoice discounting creditor	12,600	12,429	-	-
Social security and other taxes	4,978	4,896	-	-
Other creditors	2,200	2,284	-	-
Accruals and deferred income	<u>13,243</u>	<u>9,499</u>	<u>20</u>	<u>10</u>
	<u>60,849</u>	<u>50,373</u>	<u>20</u>	<u>9</u>

The invoice discounting creditor is secured by a debenture incorporating a fixed and floating charge over the assets of the Company (see note 14).

17. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Current:				
Bank loans	<u>1,026</u>	<u>500</u>	<u>-</u>	<u>-</u>
Non-current:				
Shareholder loan notes	75,838	68,598	-	-
Bank loans	17,000	18,150	-	-
Staff loans	<u>8,868</u>	<u>2,633</u>	<u>2,318</u>	<u>2,290</u>
	<u>101,706</u>	<u>89,381</u>	<u>2,318</u>	<u>2,290</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the period 31 March 2018 to 29 March 2019**

**17. FINANCIAL LIABILITIES - BORROWINGS - continued**

Terms and debt repayment schedule

**Group**

	<b>1 year or Less £'000</b>	<b>2 years to 5 years</b>	<b>More than 5 years £'000</b>	<b>Totals £'000</b>
Shareholder loan notes	-	-	75,838	75,838
Bank loans	1,026	17,000	-	18,026
Staff loans	-	-	8,868	8,868
	<u>1,026</u>	<u>17,000</u>	<u>84,706</u>	<u>102,732</u>

The shareholder loans are repayable if the principal ownership and control of the entity is transferred or sold. This loan has been classified as long term and due for repayment in 2024 or upon a change in ownership, if earlier. No change of ownership is anticipated in the 12 month period from the date of approval of these financial statements. Interest is fixed at 10% and accrued within the loan notes.

The staff loans are repayable if the principal ownership and control of the entity is transferred or sold. These loans have been classified as long term and due for repayment in 2024 or upon a change in ownership, if earlier. No change in ownership is anticipated in the 12 month period from the date of approval of these financial statements.

The bank loans are repayable as disclosed in the table above. Interest is floating at 2.25% plus bank base rate on invoice discounting facilities and 3.25-4.5% plus LIBOR on term loans, and accrued within the bank loan.

**18. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Non-cancellable operating leases</b>	
	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	1,387	1,415
Between one and five years	2,674	3,155
In more than five years	<u>12</u>	<u>-</u>
	<u>4,073</u>	<u>4,570</u>

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of 2-5 years and rentals are fixed for an average of 2-5 years with an option to extend for a further 2-5 years at the prevailing rate.

**Notes to the Consolidated Financial Statements - continued**  
**for the period 31 March 2018 to 29 March 2019**

**19. PROVISIONS**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Exceptional remuneration	1,304	-
Dilapidations	1,511	517
	<u>2,815</u>	<u>517</u>

Analysed as follows:

Current	869	-
Non-current	1,946	517
	<u>2,815</u>	<u>517</u>

<b>Group</b>	<b>Dilapidations</b>	<b>Other Provisions</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 30 March 2018</b>	517	-	517
Provisions made during the year	994	1,304	2,298
Provisions utilised during the year	-	-	-
<b>At 29 March 2019</b>	<u>1,511</u>	<u>1,304</u>	<u>2,815</u>

The dilapidation provision represents management's best estimate of the Company's liability on the Groups' properties. The liabilities have an expected life of up to 10 years (2018: 10 years).

The Company has no provisions.

**20. DEFERRED TAX**

	<b>Depreciation Charged in Excess/(arrears) of capital allowances £'000</b>	<b>Other timing differences £'000</b>	<b>Intangible asset temporary differences £'000</b>	<b>Total £'000</b>
<b>Balance at 1 April 2017</b>	5	60	(7,552)	(7,487)
Charged to income statement	(152)	69	1,244	1,161
Arising on acquisition	-	-	(1,018)	(1,018)
<b>Balance at 30 March 2018</b>	<u>(147)</u>	<u>129</u>	<u>(7,326)</u>	<u>(7,344)</u>
Charges to income statement	(184)	373	2,009	2,198
Arising on acquisition	-	-	(1,123)	(1,123)
<b>Balance at 29 March 2019</b>	<u>(331)</u>	<u>502</u>	<u>(6,441)</u>	<u>(6,270)</u>



**Notes to the Consolidated Financial Statements - continued**  
**for the period 31 March 2018 to 29 March 2019**

**21. NON-CONTROLLING INTERESTS**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Company</b>		
Opening balance	2,424	1,688
Minority interest acquired in the period	-	40
Share of profit for the period	<u>577</u>	<u>696</u>
	<u><b>3,001</b></u>	<u><b>2,424</b></u>

**22. CALLED UP SHARE CAPITAL**

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
<b>Authorised, allotted, called up and fully paid</b>		
A1 shares of £0.10 each	362,877	362,877
A2 shares of £0.10 each	12,123	12,123
B1 shares of £1.00 each	77,500	77,500
B2 shares of £1.00 each	13,750	13,750
B3 shares of £1.00 each	7,500	7,500
C1 shares of £0.01 each	10,195	10,195
D shares of £0.01 each	11,316	11,316
E shares of £100 each	<u>1,250</u>	<u>1,250</u>
	<u><b>496,511</b></u>	<u><b>496,511</b></u>

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Authorised, allotted, called up and fully paid</b>		
A1 shares of £0.10 each	36	36
A2 shares of £0.10 each	1	1
B1 shares of £1.00 each	78	78
B2 shares of £1.00 each	15	15
B3 shares of £1.00 each	10	10
C1 shares of £0.01 each	-	-
D shares of £0.01 each	-	-
E shares of £100 each	<u>-</u>	<u>-</u>
<b>Classified as equity</b>	<u><b>140</b></u>	<u><b>140</b></u>

The Company has eight classes of shares, Ordinary A1, Ordinary A2, Ordinary B1, Ordinary B2, Ordinary B3, Ordinary C1, Ordinary D and Ordinary E shares.

All share classes are non-redeemable. The Ordinary A1, Ordinary B1 and Ordinary B2 shares have full voting rights. The ordinary A2, B3, C1, D and E shares carry no rights to vote at a meeting of the members of the Company.

Further information on the Shares rights of each class is available from the Company Registrar at the Company's registered address.

Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019

23. RESERVES

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The retained earnings reserve represents cumulative profits or losses net of dividends paid and other adjustments.

24. FINANCIAL RISK MANAGEMENT

Financial liabilities including invoice discounting creditor, trade creditors and other payables, and loans are held at carrying value which is equal to fair value.

Financial assets including receivables and cash are held at carrying value which is equal to fair value.

**Interest rate sensitivity**

At 29 March 2019 the Group is exposed to changes in market interest rates through its invoice discounting facilities, which are subject to variable interest rates of 2.25% over the Bank of England base rate. The Group does not hedge the exposure to variation in interest rates.

The following table illustrates the sensitivity of the net result for the period and equity to a reasonably possible change in interest rates of +3% and -0.5% (2018 - +3% and -0.5%) with effect from the beginning of the period. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Group's financial instruments held at each reporting date. All other variables are held constant.

	2019 +3% £000	2019 -0.5% £000	2018 +3% £000	2018 -0.5% £000
Net result for the period	(378)	(63)	(373)	(62)
Equity	(378)	(63)	(373)	(62)

**Credit risk analysis**

The Groups exposure to credit risk is limited to the carrying amount of trade receivables. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

Group management considers that trade receivables not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

**Liquidity risk analysis**

The Group manages its liquidity need by carefully monitoring scheduled bank loan capital and interest repayments as well as cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 52 week cash flow forecast identified monthly.

Notes to the Consolidated Financial Statements – continued  
for the period 31 March 2018 to 29 March 2019

24. FINANCIAL RISK MANAGEMENT – continued

Foreign exchange risk analysis

The Group does not have material transaction exposures in any foreign currencies

Analysis of the Groups contractual maturities of liabilities is set out in note 17.

	2019 £'000	2018 £'000
<b>Current assets</b>		
Trade receivables	54,935	52,135
Accrued Income	10,126	8,724
Cash and cash equivalents	6,661	3,692
Other debtors	2,835	-
	<u>74,557</u>	<u>64,551</u>
	2019 £'000	2018 £'000
<b>Current Liabilities</b>		
Bank loan	1,026	500
Invoice discounting creditor	12,600	12,429
Tax payable	1,383	547
Trade creditors	27,828	21,265
Other creditors	2,200	2,284
Accruals	13,243	9,499
Social security and other taxes	4,978	4,896
	<u>63,258</u>	<u>51,420</u>
	2019 £'000	2018 £'000
<b>Non-current Liabilities</b>		
Shareholder loan notes	75,838	68,598
Bank loans	17,000	18,150
Staff loans	8,868	2,633
	<u>101,706</u>	<u>89,381</u>

**Notes to the Consolidated Financial Statements - continued  
for the period 31 March 2018 to 29 March 2019**

---

**25. RELATED PARTY DISCLOSURES**

Balances are transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Balances between the Group and the other related parties have been disclosed below.

As at the balance sheet date there was an amount due to Graphite Capital of £75,837,669 (2018: £68,597,855).

As at the balance sheet date there was an amount due to directors and employees of £2,318,116 (2018: £2,291,756).

**26. PENSION COMMITMENTS**

The Company makes defined contributions into personal pension plans for employees. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £445k (2018: £312k). Contributions amounting to £148k (2018: £184k) were payable to the scheme at the balance sheet date.

**27. ULTIMATE PARENT COMPANY**

The A1 ordinary shares in Westminster Topco Limited are held by funds managed by Graphite Capital. None of the funds individually has an ultimate controlling stake in Westminster Topco Limited. No individual holds more than 20% of the share capital of the Company. Hence, the Directors consider that there is no ultimate controlling party of the Company.

The consolidated financial statements of the Group are available to the public and may be obtained from its registered office at 222 Bishopsgate, London, United Kingdom, EC2M 4QD.

**28. POST BALANCE SHEET EVENTS**

There were no post balance sheet events.