

Financial Statements for the Year Ended 31 December 2020

for

Northstar Research Partners (UK) Limited

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for the Year Ended 31 December 2020

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Northstar Research Partners (UK) Limited

Company Information  
for the Year Ended 31 December 2020

**DIRECTORS:**

Mr J Histed  
Mr D C Ross  
Mr F P Lanuto

**SECRETARY:**

Mr G W Gibson

**REGISTERED OFFICE:**

Unit B3  
City Cloisters  
196 Old Street  
London  
EC1V 9FR

**REGISTERED NUMBER:**

04131126 (England and Wales)

**AUDITOR:**

Paul Hartley FCA  
Statutory Auditor  
Owner  
PO Box 27075  
London  
N2 0FZ

Balance Sheet  
31 December 2020

	Notes	2020 £	£	2019 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		22,020		61,404
<b>CURRENT ASSETS</b>					
Stocks	5	973		33,429	
Debtors	6	921,211		1,893,979	
Cash at bank		<u>272,132</u>		<u>873,467</u>	
		1,194,316		2,800,875	
<b>CREDITORS</b>					
Amounts falling due within one year	7	<u>817,610</u>		<u>2,248,329</u>	
<b>NET CURRENT ASSETS</b>			<u>376,706</u>		<u>552,546</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>398,726</u>		<u>613,950</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		215,200		215,200
Retained earnings			<u>183,526</u>		<u>398,750</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>398,726</u>		<u>613,950</u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 24 February 2021 and were signed on its behalf by:

Mr J Histed - Director

Notes to the Financial Statements  
for the Year Ended 31 December 2020

**1. STATUTORY INFORMATION**

Northstar Research Partners (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Preparation of consolidated financial statements**

The subsidiary company established in Indonesia ceased operating in November 2017. The value of the investment and debts due from the subsidiary have been written off in the previous accounting periods. The subsidiary is in the process of being dissolved under the Indonesian regulatory process. Consequently, these financial statements deal with the results of the company as a single entity.

**Turnover**

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

**Tangible fixed assets**

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

Leasehold improvements	- 20% on cost
Office equipment	- 33% on cost
Fixtures and fittings	- 15% on cost
Computer equipment	- 33% on cost

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

**Current tax**

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

2. **ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating (losses)/gains'.

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

The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate fund. Under defined contribution plans, the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the company pays contributions to privately administered pension plans on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Work in progress**

Long-term contracts are assessed on a contract by contract basis and are reflected in the income statement by recording turnover on the basis of project completed and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion the attributable profit is recognised in the income statement as the difference between the reported turnover and related costs for that contract.

The amounts earned that exceed amounts invoiced are included in amounts recoverable on contracts within debtors, amounts invoiced on contracts that exceed amounts earned are shown as payments on account within creditors where the outcome of the contract cannot be assessed with reasonable certainty, work done to date is included in work in progress at the lower of cost and net realisable value unless the costs are recoverable, in which case they are included in revenue to the extent that they are recoverable.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

2. **ACCOUNTING POLICIES - continued**

**Government grants**

The grant in respect of furloughed employees is shown as income within the profit or loss.'

**Operating lease**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 20 (2019 - 25 ) .

4. **TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2020	181,892	26,395	21,836	178,284	408,407
Additions	-	-	-	5,508	5,508
At 31 December 2020	<u>181,892</u>	<u>26,395</u>	<u>21,836</u>	<u>183,792</u>	<u>413,915</u>
<b>DEPRECIATION</b>					
At 1 January 2020	161,399	24,144	16,639	144,821	347,003
Charge for year	20,493	1,978	3,370	19,051	44,892
At 31 December 2020	<u>181,892</u>	<u>26,122</u>	<u>20,009</u>	<u>163,872</u>	<u>391,895</u>
<b>NET BOOK VALUE</b>					
At 31 December 2020	<u>-</u>	<u>273</u>	<u>1,827</u>	<u>19,920</u>	<u>22,020</u>
At 31 December 2019	<u>20,493</u>	<u>2,251</u>	<u>5,197</u>	<u>33,463</u>	<u>61,404</u>

5. **STOCKS**

	2020 £	2019 £
Work-in-progress long term contract balances	<u>973</u>	<u>33,429</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

6. **DEBTORS**

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	584,589	1,679,230
Amounts recoverable on long term contracts	156,986	69,784
Amounts owed by group undertakings	57,135	10,525
Other debtors	14,037	18,650
Tax	37,967	-
Prepayments	32,771	78,064
	<u>883,485</u>	<u>1,856,253</u>
Amounts falling due after more than one year:		
Other debtors	<u>37,726</u>	<u>37,726</u>
Aggregate amounts	<u>921,211</u>	<u>1,893,979</u>

Debtors over more than one year relates to the rent deposit.

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

	2020 £	2019 £
Trade creditors	426,240	780,893
Payments received on account of long term contracts	91,167	853,867
Amounts owed to group undertakings	13,239	13,239
Tax	-	65,257
Social security and other taxes	44,486	44,323
VAT	122,001	186,510
Other creditors	8,427	8,413
Accrued expenses	112,050	295,827
	<u>817,610</u>	<u>2,248,329</u>

The company entered into a lease on 26 June 2020 for a period of 3 years at an annual rental of £125,752. The total commitment at 31 December 2020 is £314,380.

Amounts owed to group undertakings include £13,239 owed re share compensation (2019 £13,239).



Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

**8. CALLED UP SHARE CAPITAL**

Allotted called up and fully paid

Equity Interests:

1,770 Ordinary shares class A of 10p each	177	177
1,000 Ordinary shares class B of 10p each	100	100
1,723 Deferred shares of £1	1,723	1,723
	-----	-----
	2,000	2,000

Allotted called up and partly paid

Non-equity interests

311,600 Preference shares class A of £1	202,540	202,540
16,400 Preference shares class B of £1 each	10,660	10,660
	-----	-----
	215,200	215,200
	=====	=====

The A and B Preference Shares shall be separate classes of shares and shall not receive a dividend unless the Board recommends a payment of a dividend. They can be redeemed at any time at the Company's discretion as outlined in the Memorandum and Articles and Association.

**9. DISCLOSURE UNDER SECTION 444(SB) OF THE COMPANIES ACT 2006**

The Report of the Auditor was unqualified.

Paul Hartley FCA

Statutory Auditor

**10. RELATED PARTY DISCLOSURES**

**Northstar Research Partners Inc.**

Parent company

£137,207 £ (2019 - £168,912) Net salaries recharged to UK subsidiary.

Net salaries recharged to UK included in purchases Nil (2019-£139,469.00l)

Revenue received was £8726 (2019 - Nil)

	2020	2019
	£	£
Amount due from related party at the balance sheet date	----- -	----- 391

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

**10. RELATED PARTY DISCLOSURES - continued**

**MDC Partners Inc**

Ultimate parent company

During the year the Company borrowed £1,097,211 (£2,480,199 - 2019) for working capital from MDC and repaid all of the loan. Intercompany loan interest paid to MDC Partners Inc £5,987 (13,920 - 2019)

**Northstar Research Partners(USA) LLC**

Subsidiary of parent

Northstar Research Partners (USA) LLC controls some of the Northstar UK projects and acts as a point of convenience in respect of these and other jobs in North America. They contract for and pay 3rd party liabilities regarding these jobs if it is convenient to do so in the USA. On occasions they collect monies on behalf of Northstar UK.

Net revenue received £87,326 (£10,353 - 2019)

	2020	2019
	£	£
Amount due from related party at the balance sheet date	<u>57,135</u>	<u>10,134</u>

**11. ULTIMATE CONTROLLING PARTY**

The controlling party is MDC Partners Inc.

MDC Partners Inc - One World Trade Center, Floor 65 New York NY10007  
a company incorporated in Canada.

The parent company consolidates this subsidiary in its accounts.

**12. BANK CHARGE ON ALL THE ASSETS OF THE COMPANY**

There is a fixed and floating charge on all assets of the Company in respect of borrowings from Wells Fargo Capital Finance LLC by its Ultimate Parent Company MDC Partners Inc.

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