

Financial Statements for the Year Ended 31 December 2022

for

Northstar Research Partners (UK) Limited

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for the Year Ended 31 December 2022

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Northstar Research Partners (UK) Limited

Company Information
for the Year Ended 31 December 2022

DIRECTORS:

Mr F P Lanuto
Mr P J McElligott
Mr B Demeo

SECRETARY:

Mr P J McElligott

REGISTERED OFFICE:

Unit B3
City Cloisters
196 Old Street
London
EC1V 9FR

REGISTERED NUMBER:

04131126 (England and Wales)

AUDITOR:

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

Balance Sheet
31 December 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	4		54,151		26,302
CURRENT ASSETS					
Stocks	5	304,955		341,383	
Debtors	6	2,347,283		1,277,728	
Cash at bank		<u>1,142,780</u>		<u>241,022</u>	
		3,795,018		1,860,133	
CREDITORS					
Amounts falling due within one year	7	<u>2,299,004</u>		<u>1,636,718</u>	
NET CURRENT ASSETS			<u>1,496,014</u>		<u>223,415</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,550,165</u>		<u>249,717</u>
CAPITAL AND RESERVES					
Called up share capital	8		1,027,175		215,200
Retained earnings			<u>522,990</u>		<u>34,517</u>
SHAREHOLDERS' FUNDS			<u>1,550,165</u>		<u>249,717</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 Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 19 July 2023 and were signed on its behalf by:

Mr B Demeo - Director

Notes to the Financial Statements
for the Year Ended 31 December 2022

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.

Turnover

Turnover represents income from projects ongoing from previous year and those entered into during the year, whether completed or incomplete at the balance sheet date. Turnover is calculated by accounting for the value of the work done which incorporates recoverable third party cost and value of professional research and analysis on all of the projects.

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

Capitalised software - 33% on cost starting from the day software becomes operational

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 2022

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

Transactions in a foreign currency are recorded at the average exchange rate for the month in which the transaction is recognised in the accounting records.

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

Work in progress represents the cost of project work completed at the year end not yet billed to clients.

Amounts recoverable on work in progress is third party expenditure incurred on projects that does not fall to be included in work in progress. This amount is included in Debtors.

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 21 (2021 - 23) .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

4. **TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Office equipment £	Fixtures and fittings £
COST			
At 1 January 2022	181,892	26,395	21,836
Additions	-	-	-
Disposals	-	-	-
Reclassification/transfer	(9,567)	-	-
At 31 December 2022	<u>172,325</u>	<u>26,395</u>	<u>21,836</u>
DEPRECIATION			
At 1 January 2022	181,892	26,395	20,699
Charge for year	-	-	479
Eliminated on disposal	-	-	-
Reclassification/transfer	(9,567)	-	-
At 31 December 2022	<u>172,325</u>	<u>26,395</u>	<u>21,178</u>
NET BOOK VALUE			
At 31 December 2022	<u>-</u>	<u>-</u>	<u>658</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>1,137</u>
	Capitalised software £	Computer equipment £	Totals £
COST			
At 1 January 2022	13,709	190,766	434,598
Additions	28,126	8,856	36,982
Disposals	-	(98,850)	(98,850)
Reclassification/transfer	-	(28,505)	(38,072)
At 31 December 2022	<u>41,835</u>	<u>72,267</u>	<u>334,658</u>
DEPRECIATION			
At 1 January 2022	-	179,310	408,296
Charge for year	-	8,654	9,133
Eliminated on disposal	-	(98,850)	(98,850)
Reclassification/transfer	-	(28,505)	(38,072)
At 31 December 2022	<u>-</u>	<u>60,609</u>	<u>280,507</u>
NET BOOK VALUE			
At 31 December 2022	<u>41,835</u>	<u>11,658</u>	<u>54,151</u>
At 31 December 2021	<u>13,709</u>	<u>11,456</u>	<u>26,302</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

5. **STOCKS**

	2022	2021
	£	£
Work-in-progress	<u>304,955</u>	<u>341,383</u>

6. **DEBTORS**

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	2,107,416	1,146,164
Amounts recoverable on work in progress	81,582	1,031
Amounts owed by group undertakings	36,915	-
Other debtors	96,710	9,967
Tax	-	33,465
VAT	-	15,130
Prepayments	<u>24,660</u>	<u>34,245</u>
	<u>2,347,283</u>	<u>1,240,002</u>
Amounts falling due after more than one year:		
Other debtors	<u>-</u>	<u>37,726</u>
Aggregate amounts	<u>2,347,283</u>	<u>1,277,728</u>

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

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

	2022	2021
	£	£
Trade creditors	462,683	364,954
Amounts owed to group undertakings	84,010	1,016,098
Tax	82,469	-
Social security and other taxes	122,448	45,336
VAT	190,964	-
Other creditors	36,981	8,570
Accrued expenses	708,903	80,217
Deferred income	<u>610,546</u>	<u>121,543</u>
	<u>2,299,004</u>	<u>1,636,718</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

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 2022 is £62,876.

Amounts owed to group undertakings in 2021 included £811,975 in respect of a loan for working capital and accumulated interest from MDC Partners Inc. - see Note 8 below.

Amounts owed to group undertakings include £13,239 owed re share compensation (2021 £14,057).

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
8,121,524	Ordinary A	10p	812,152	177
1,000	Ordinary B	10p	100	100
1,723	Deferred	£1	1,723	1,723
			<u>813,975</u>	<u>2,000</u>

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
	<u>213,200</u>	<u>213,200</u>

In 2021 the company borrowed £800,000 working capital from MDC Partners Inc. Interest accrued on the loan amounted to £11,975 at 31 December 2021. In June 2022 the total sum of £811,975 was converted to 8,119,750 new Ordinary Class A shares in the company.

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.

Total share capital £1,027,175 (2021 £215,200)

9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditor was unqualified.

Paul Hartley FCA

Statutory Auditor

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

10. **RELATED PARTY DISCLOSURES**

Northstar Research Partners Inc.

Parent company until 26 July 2021

Transactions during the year:

Net salaries recharged to UK subsidiary £22,896 (2021 £101,694). Net revenue received £15,930 (2021 £39,122).

Balances at year end: £13,239 owed re share compensation (£2021 £14,057); £4,396 owed re purchase transactions (2021 £177,251).

MDC Partners Inc

Ultimate parent company until 26 July 2021

Debit balances at year end: Management fee repayable by MDC £36,915 (2021 £Nil)

Credit balances at year end: Capital paid in by MDC outstanding £79,131 less equity offset re long term minority interest £16,247 (2021 £Nil)

Stagwell Inc

Ultimate controlling party from 27 July 2021

Credit balance at year end: £2,765 re purchase transactions (2021: £nil).

11. **ULTIMATE CONTROLLING PARTY**

The controlling party is Stagwell Inc.

The ultimate controlling party Stagwell Inc. which merged with the parent company MDC Partners Inc. in 2021

Stagwell Inc - One World Trade Center, Floor 65 New York NY10007
a company incorporated in USA

The parent company consolidates this subsidiary in its accounts.

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.