

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**FOR**

**SIMON, KUCHER & PARTNERS STRATEGY &  
MARKETING CONSULTANTS LIMITED**

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for the Year Ended 31 December 2019**

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**COMPANY INFORMATION  
for the Year Ended 31 December 2019**

**DIRECTORS:**

M S Billige  
J Brown  
D Hiotis

**SECRETARY:**

M S Billige

**REGISTERED OFFICE:**

Herschel House  
58 Herschel Street  
Slough  
Berkshire  
SL1 1PG

**REGISTERED NUMBER:**

04144765 (England and Wales)

**AUDITORS:**

Oury Clark Chartered Accountants  
Statutory Auditors  
Herschel House  
58 Herschel Street  
Slough  
Berkshire  
SL1 1PG

**STRATEGIC REPORT  
for the Year Ended 31 December 2019**

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

**REVIEW OF BUSINESS**

The company is a management consulting firm and its principal activity is advising companies with regards to their pricing, marketing and sales strategies.

Sales for the year ended 31 December 2019 were £23,493,307 (2018: £19,889,531) and operating profit was £5,072,409 (2018: £4,527,902).

The directors are satisfied with the results for the year and the business continues to perform well in what is a competitive market. The trading environment in 2019 was excellent and the underlying business is strong.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Competition risk**

The UK consultancy market is large, fragmented and highly competitive. The company's principal competitors are large, global consultancies who have significant presence in the UK market.

The company's ongoing success is dependent on its ability to maintain its positioning as the world leader in its key specialist topics of pricing, sales and marketing and thus its unique competitive advantage versus bigger, more generalist competitors. That distinctive specialism and the company's strong track record in that area allows the company to win new business and recruit high quality employees. Being part of a larger group also gives the company business advantage due to its ability to manage employee utilisation across offices and teams globally. The principal risk to the company is that competitors build specific expertise in the company's specialist areas of pricing, sales and marketing and are thereby able to win more business in this area and/or recruit specialist employees away from the company.

**Covid-19 crisis**

Since the start of 2020 the novel coronavirus pandemic has arisen and is affecting many businesses. The overall consulting market is down, and the company has been and will continue to be impacted. Sectors the company consults in are being impacted differently. For example, Life Sciences and Healthcare remain strong, whereas Leisure and Travel has been placed on hold.

Most projects already in progress are continuing, though many new projects have been delayed or cancelled. The directors expect a significant downturn in business during Q2 and weaker than planned sales through Q3 and Q4. In response the company has reduced expenditure on all non-core services, and has used support from the Coronavirus Jobs Retention Scheme to reduce staff costs during the dip to align this with the reduced revenue.

The directors are confident that even in the most pessimistic scenarios, the company will be able to temporarily reduce operating costs to enable it to remain profitable in 2020 and retain a strong underlying business for a recovery in 2021.

**KEY PERFORMANCE INDICATORS**

The company's key performance indicators are based on profitability and turnover growth to assess performance in the year.

**STRATEGIC REPORT  
for the Year Ended 31 December 2019**

**COMPLIANCE WITH MODERN SLAVERY ACT**

Following the enactment of the Modern Slavery Act in October 2015 the company has reviewed its procurement and human rights practices and those of its supply chain in light of this act. Simon Kucher & Partners Strategy & Marketing Consultants Limited's suppliers are UK based entities and, having reviewed the requirements of the Modern Slavery Act, it has taken action to comply with the regulations. Simon Kucher & Partners Strategy & Marketing Consultants Limited does not support forced and compulsory labour or the exploitation of children.

**ON BEHALF OF THE BOARD:**

M S Billige - Director

19 June 2020

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2019 will be £nil (2018: £3,658,601).

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

M S Billige  
J Brown  
D Hiotis

Other changes in directors holding office are as follows:

Dr G Tacke - resigned 5 November 2019  
Dr M Matar - resigned 31 December 2019

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2019**

**AUDITORS**

The auditors, Oury Clark, are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

M S Billige - Director

19 June 2020

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SIMON, KUCHER & PARTNERS STRATEGY &  
MARKETING CONSULTANTS LIMITED**

**Opinion**

We have audited the financial statements of Simon, Kucher & Partners Strategy & Marketing Consultants Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SIMON, KUCHER & PARTNERS STRATEGY &  
MARKETING CONSULTANTS LIMITED**

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

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

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

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

**Responsibilities of directors**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Emma Crowley (Senior Statutory Auditor)  
for and on behalf of Oury Clark Chartered Accountants  
Statutory Auditors  
Herschel House  
58 Herschel Street  
Slough  
Berkshire  
SL1 1PG

19 June 2020

**SIMON, KUCHER & PARTNERS STRATEGY &  
MARKETING CONSULTANTS LIMITED (REGISTERED NUMBER: 04144765)**

**INCOME STATEMENT  
for the Year Ended 31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>TURNOVER</b>		23,493,307	19,889,531
Cost of sales		<u>5,397,899</u>	<u>4,851,173</u>
<b>GROSS PROFIT</b>		18,095,408	15,038,358
Administrative expenses		<u>13,022,999</u>	<u>10,510,456</u>
<b>OPERATING PROFIT and PROFIT BEFORE TAXATION</b>		5,072,409	4,527,902
Tax on profit	6	<u>971,394</u>	<u>869,301</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>4,101,015</u></u>	<u><u>3,658,601</u></u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME  
for the Year Ended 31 December 2019**

	31.12.19 £	31.12.18 £
Notes		
<b>PROFIT FOR THE YEAR</b>	4,101,015	3,658,601
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		
<b>FOR THE YEAR</b>	<u>4,101,015</u>	<u>3,658,601</u>

**SIMON, KUCHER & PARTNERS STRATEGY &  
MARKETING CONSULTANTS LIMITED (REGISTERED NUMBER: 04144765)**

**BALANCE SHEET  
31 December 2019**

	Notes	31.12.19 £	£	31.12.18 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		-		-
Tangible assets	9		292,893		180,935
			<u>292,893</u>		<u>180,935</u>
<b>CURRENT ASSETS</b>					
Debtors	10	4,968,384		6,025,304	
Cash at bank and in hand		<u>3,584,866</u>		<u>677,875</u>	
		8,553,250		6,703,179	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>4,557,689</u>		<u>3,057,504</u>	
<b>NET CURRENT ASSETS</b>			<u>3,995,561</u>		<u>3,645,675</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,288,454		3,826,610
<b>PROVISIONS FOR LIABILITIES</b>	14		<u>43,412</u>		<u>23,982</u>
<b>NET ASSETS</b>			<u>4,245,042</u>		<u>3,802,628</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		100,000		100,000
Retained earnings	16		<u>4,145,042</u>		<u>3,702,628</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,245,042</u>		<u>3,802,628</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 19 June 2020 and were signed on its behalf by:

M S Billige - Director

**STATEMENT OF CHANGES IN EQUITY  
for the Year Ended 31 December 2019**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2018</b>	100,000	4,161,616	4,261,616
<b>Changes in equity</b>			
Dividends	-	(4,117,589)	(4,117,589)
Total comprehensive income	-	3,658,601	3,658,601
<b>Balance at 31 December 2018</b>	<u>100,000</u>	<u>3,702,628</u>	<u>3,802,628</u>
<b>Changes in equity</b>			
Dividends	-	(3,658,601)	(3,658,601)
Total comprehensive income	-	4,101,015	4,101,015
<b>Balance at 31 December 2019</b>	<u>100,000</u>	<u>4,145,042</u>	<u>4,245,042</u>

**NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 December 2019**

**1. STATUTORY INFORMATION**

Simon, Kucher & Partners Strategy & Marketing Consultants Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The normal place of business is 3rd floor, 1 Plough Place, Fetter Lane, London, EC4A 1DE.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

Despite the effects of the Covid-19 pandemic on the business, the company expects to be profitable in the 12 months to 31st December 2020. Further, the directors continue to believe that the company will be able to meet its liabilities as they fall due for a period of at least 12 months and 1 day from the date the financial statements are signed. Therefore, the financial statements continue to be prepared on the going concern basis.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of further events that are believed to be reasonable under the circumstances.

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax, recognised on a time spent basis over the length of the contract, which relates entirely to the principal activity.

**Intangible assets**

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.  
Licences - 50% on cost

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.  
Fixtures and fittings - 25% on cost  
Computer equipment - 33% on cost

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**2. ACCOUNTING POLICIES - continued**

**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 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.

**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**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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

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

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Financial instruments**

Basic Financial Instruments as covered by Section 11 of FRS102 are measured at amortised cost. The company does not have any Other Financial Instruments as covered by Section 12 of FRS102.

**3. EMPLOYEES AND DIRECTORS**

	31.12.19	31.12.18
	£	£
Wages and salaries	8,490,684	6,721,366
Social security costs	1,020,249	778,089
Other pension costs	183,964	125,447
	<u>9,694,897</u>	<u>7,624,902</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**3. EMPLOYEES AND DIRECTORS - continued**

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

	31.12.19	31.12.18
Directors	3	5
Sales	77	60
Administration	22	16
	<u>102</u>	<u>81</u>

**4. DIRECTORS' EMOLUMENTS**

	31.12.19	31.12.18
	£	£
Directors' remuneration	<u>1,262,416</u>	<u>1,371,967</u>

Information regarding the highest paid director is as follows:

	31.12.19	31.12.18
	£	£
Emoluments etc	<u>492,740</u>	<u>462,233</u>

The directors are also key management personnel.

No directors are in the company pension scheme.

**5. OPERATING PROFIT**

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

	31.12.19	31.12.18
	£	£
Other operating leases	246	4,320
Depreciation - owned assets	111,819	72,099
Auditors' remuneration	15,000	15,000
Foreign exchange differences	<u>(45,858)</u>	<u>124,598</u>

**6. TAXATION**

**Analysis of the tax charge**

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

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	951,964	845,319
Deferred tax	19,430	23,982
Tax on profit	<u>971,394</u>	<u>869,301</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**6. TAXATION - continued**

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

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

	31.12.19 £	31.12.18 £
Profit before tax	<u>5,072,409</u>	<u>4,527,902</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	963,758	860,301
Effects of:		
Expenses not deductible for tax purposes	596	2,042
Capital allowances in excess of depreciation	(12,390)	(17,024)
Deferred tax movement	<u>19,430</u>	<u>23,982</u>
Total tax charge	<u>971,394</u>	<u>869,301</u>

**7. DIVIDENDS**

	31.12.19 £	31.12.18 £
Ordinary shares of £1 each		
Interim	<u>3,658,601</u>	<u>4,117,589</u>

**8. INTANGIBLE FIXED ASSETS**

	Patents and licences £
<b>COST</b>	
At 1 January 2019 and 31 December 2019	<u>65,564</u>
<b>AMORTISATION</b>	
At 1 January 2019 and 31 December 2019	<u>65,564</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2019	261,759	291,393	553,152
Additions	63,243	160,534	223,777
At 31 December 2019	<u>325,002</u>	<u>451,927</u>	<u>776,929</u>
<b>DEPRECIATION</b>			
At 1 January 2019	228,873	143,344	372,217
Charge for year	27,515	84,304	111,819
At 31 December 2019	<u>256,388</u>	<u>227,648</u>	<u>484,036</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>68,614</u>	<u>224,279</u>	<u>292,893</u>
At 31 December 2018	<u>32,886</u>	<u>148,049</u>	<u>180,935</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Trade debtors	3,966,542	4,452,103
Amounts owed by group undertakings	606,393	913,228
Other debtors	15,479	442,123
Prepayments and accrued income	379,970	217,850
	<u>4,968,384</u>	<u>6,025,304</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Trade creditors	785,583	521,917
Amounts owed to group undertakings	1,609,904	1,096,278
Tax	339,966	367,319
Social security and other taxes	618,107	439,777
VAT	476,631	469,834
Other creditors	175,407	-
Accrued expenses	76,872	108,483
Deferred income	475,219	53,896
	<u>4,557,689</u>	<u>3,057,504</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**12. LEASING AGREEMENTS**

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

	31.12.19	31.12.18
	£	£
Within one year	778,756	590,626
Between one and five years	389,378	886,767
	<u>1,168,134</u>	<u>1,477,393</u>

The amounts paid in the year relating to the operating lease were £483,366 (2018: £483,366).

**13. SECURED DEBTS**

There is a debenture in favour of HSBC Bank Plc over the assets of the company, as security over the available banking facility.

**14. PROVISIONS FOR LIABILITIES**

	31.12.19	31.12.18
	£	£
Deferred tax	<u>43,412</u>	<u>23,982</u>
		Deferred tax
		£
Balance at 1 January 2019		23,982
Provided during year		16,609
Change in applicable rate		2,821
Balance at 31 December 2019		<u>43,412</u>

The deferred tax liability relates entirely to accelerated capital allowances. It is unknown when the provision will be realised as a liability.

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.19	31.12.18
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

All shares have equal voting rights, equal dividend rights and equal rights on winding up.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**16. RESERVES**

	Retained earnings £
At 1 January 2019	3,702,628
Profit for the year	4,101,015
Dividends	(3,658,601)
At 31 December 2019	<u>4,145,042</u>

**17. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The total contributions for the year ended 31 December 2019 were £183,964 (2018: £125,447) and there was an outstanding balance of £NIL at the balance sheet date (2018: £NIL).

**18. ULTIMATE PARENT COMPANY**

Simon Kucher & Co Holding GmbH (incorporated in Germany ) is regarded by the directors as being the company's ultimate parent company.

The registered office address of Simon Kucher & Co Holding GmbH is Willy-Brandt-Allee 13, 53113, Bonn, Germany.

The accounts of Simon Kucher & Co Holding GmbH are publicly available at the following website: [www.bundesanzeiger.de](http://www.bundesanzeiger.de).

**19. RELATED PARTY DISCLOSURES**

**Simon, Kucher & Partners Strategy & Marketing AB**

An entity which has common control.

During the year, Simon, Kucher & Partners Strategy & Marketing Consultants Limited made purchases of £108,148 from Simon, Kucher & Partners Strategy & Marketing AB (2018: £NIL). The balance owed to Simon, Kucher & Partners Strategy & Marketing AB at the year end was £94,153 (2018: £NIL).

**20. POST BALANCE SHEET EVENTS**

In December 2019 China alerted the World Health Organisation (WHO) of several cases of an unusual form of pneumonia in Wuhan. This was subsequently identified as Covid-19 or Coronavirus. However, it was not until early 2020 when more was known about the virus and when businesses around the world started to consider it's possible impact on their operations. This therefore is an unadjusting event.

There is expected to be a significant impact on the business with sales expected to fall by £5.026m from 2019 sales in the year to 31st December 2020 and operating profit expected to fall by £3.768m over the same period. That said, the company is still expected to be profitable in the period.

Had the Coronavirus not occurred, the company would have expected an increase in sales of £3.524m from 2019 sales in the year to 31st December 2020 and operating profit expected to increase by £0.941m over the same period. See note 2 for detail on how this affects the going concern basis of assessment.

**21. ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.

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.