COMPANY REGISTRATION NUMBER: 06483938

Northsix Europe Limited

Consolidated Financial Statements

For the year ended

31 January 2021

Northsix Europe Limited

Consolidated Financial Statements

Year ended 31 January 2021

Contents

Northsix Europe Limited

Officers and Professional Advisers

Director	O Hicks
Registered office	Studio 3, Rochelle Robson House 24 Club Row London E2 7EY
Auditor	Streets Audit LLP Chartered accountants & statutory auditor Enterprise House 38 Tyndall Court Commerce Road Lynch Wood Peterborough Cambridgeshire PE2 6LR

Northsix Europe Limited

Strategic Report

Year ended 31 January 2021

The director presents his strategic report of the company and the group for the year ended 31 January 2021. The group continues to operate to support agencies, brands, creatives, and businesses across our key disciplines of stills, motion, experiences, PR and influencer marketing. The key indicators that we review focus on client billings (Turnover), gross profit margins, administrative expenses and net profit margin. As a service business we monitor expenses on a percentage of billings (turnover) basis. We have two distinct cost categories; Staff Costs and Other Operating Expenses such as rent, insurance, technology, storage and depreciation. Turnover has reduced from £31.8m last year to £28m, reduced direct costs has resulted in an increase in gross profit from £6.7m to £7.8m. Admin costs are comparable with 2020 at £3.84m (2020 £3.87m) which has resulted in net profit before tax of £4.2m (2020 £2.9m). The net assets of the group are £5.8m (2020 £3.9m). The director is pleased with the progress of the group, particularly as the group faced operational challenges from both the pandemic and the UK leaving the EU. Our good working capital management procedures have ensured that we have had minimal bad debts during the year and we expect this to continue. The Director is mindful of the continued Brexit and Covid-19 uncertainty and its potential impact now the UK have left the EU however, is confident that the group will remain profitable in the coming year. At North Six, we have put sustainability at the forefront of our company values. We have implemented a sustainability strategy centered on three main streams: measure, reduce and offset. We apply this tri-focused approach both to our internal operations and with our clients. In order to measure accurately, we use software that allows us to find the primary sources of our impact which helps us optimise our practices. We carefully choose our suppliers, to be as local and sustainable as possible; as well as having a zero waste policy in all our offices and on set. All our productions are offset through Gold standard programs. These selected offsetting programs are chosen to also support local communities to live their lives healthier, safer and more sustainability. Further to our production offsetting we have also made a commitment to 1% for the Planet to invest in worldwide reforestation projects. North Six is excited to be investing back into our communities and working to combat climate change. Principal risks and uncertainties The management of the business and approach to strategy is subject to several external risks such as a competitive marketplace, operating in various economises and particularly the continued impact that Brexit is having on operations. Management review these risks regularly and take appropriate action to minimise them. We compete for clients in a highly competitive industry which continues to evolve as we approach changes particularly in the UK around Brexit. Material client budget reductions due to the impact of Brexit or economic conditions shifting would have a material adverse effect on our business. To counter this risk, we are continually improving our creative capabilities, diversifying our services and seeking to enhance the reputation of our business. The Covid-19 pandemic has significantly impacted the global economy, our clients, our supplier and the results of our business. The public health efforts including travel restrictions and national 'Lockdowns' has negatively impacted many of our clients businesses and in turn reduced the demand for our business during this time. The UK and other EU countries we operate in have seen significant contraction of their economies. They are now starting to recover however the full extent of the impact of of Covid-19 remains uncertain. The company will continue to monitor its cost base whilst continuing to provide a high level of service to its clients. Controls and procedure are in place to mitigate the risk of price risk since this would have a detrimental impact on the performance of the business. Price risk arises from fluctuations in the market which impacts directly on the prices the company pays for the service it provides to its customers. The company manages this risk primarily by discussing prices with customers on a continual basis and maintaining solid supplier relations. Our business is subject to exchange risk due to most of our clients being based outside the UK. Moreover, the continual Brexit and pandemic uncertainty has meant we have experienced significant exchange volatility throughout the year. Management work very hard to mitigate all impact on foreign risk by working closely with advisors and fixing rates where appropriate.

This report was approved by the board of directors on 25 January 2022 and signed on behalf of the board by:

O Hicks

Director

Registered office:

Studio 3, Rochelle

Robson House

24 Club Row

London

E2 7EY

Northsix Europe Limited

Director's Report

Year ended 31 January 2021

The director presents his report and the consolidated financial statements of the group for the year ended 31 January 2021 .

Director

The director who served the company during the year was as follows:

O Hicks

Dividends

Particulars of recommended dividends are detailed in note 13 to the consolidated financial statements.

Disclosure of information in the strategic report

The group has chosen to set out in the strategic report information about the future developments of the group and the financial instruments.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the consolidated financial statements in accordance with applicable law and regulations. Company law requires the director to prepare consolidated financial statements for each financial year. Under that law the director has elected to prepare the consolidated financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the consolidated financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period. In preparing these consolidated financial statements, the director is required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The director is 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 consolidated financial statements comply with the Companies Act 2006. He is 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.

Auditor

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

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information. The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 25 January 2022 and signed on behalf of the board by:

O Hicks

Director

Registered office:

Studio 3, Rochelle

Robson House

24 Club Row

London

E2 7EY

Northsix Europe Limited

Independent Auditor's Report to the Member of Northsix Europe Limited

Year ended 31 January 2021

Opinion

We have audited the consolidated financial statements of Northsix Europe Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the consolidated financial statements: - give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2021 and of the group's profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - 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 consolidated financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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

In auditing the consolidated financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the consolidated financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated 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 director's report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the strategic report and the director's 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 the director's 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 consolidated financial statements are not in agreement with the accounting records and returns; or - certain disclosures of director's remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the director is 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows: - the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; - we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates; - we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, employment, environmental and health and safety legislation; - we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and - identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit. We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations. To address the risk of fraud through management bias and override of controls, we: - performed analytical procedures to identify any unusual or unexpected relationships; - assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 4 were indicative of potential bias; and - investigated the rationale behind significant or unusual transactions. In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to: - agreeing financial statement disclosures to underlying supporting documentation; - enquiring of management as to actual and potential litigation and claims; and - reviewing correspondence with HMRC and relevant regulators. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the consolidated financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report. Use of our report

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Day

(Senior Statutory Auditor)

For and on behalf of

Streets Audit LLP

Chartered accountants & statutory auditor

Enterprise House

38 Tyndall Court

Commerce Road

Lynch Wood

Peterborough

Cambridgeshire

PE2 6LR

25 January 2022

Northsix Europe Limited

Consolidated Statement of Comprehensive Income

Year ended 31 January 2021

	Note	2021	2020
		£	£
Turnover	4	**27,957,373**	31,833,029
Cost of sales		**20,139,437**	25,088,488
Gross profit		**7,817,936**	6,744,541
Administrative expenses		**3,844,028**	3,870,573
Other operating income	5	**222,839**	5,402
Operating profit	6	**4,196,747**	2,879,370
Other interest receivable and similar income		**17,293**	6,299
Amounts written off investments	10	**607**	431
Interest payable and similar expenses	11	**23,998**	11,094
Profit before taxation		**4,189,435**	2,874,144
Tax on profit	12	**1,003,886**	694,677
Profit for the financial year		**3,185,549**	2,179,467
Foreign currency retranslation		**38,580**	(79,024)
Total comprehensive income for the year		**3,224,129**	2,100,443

All the activities of the group are from continuing operations.

Northsix Europe Limited

Consolidated Statement of Financial Position

31 January 2021

	Note		2021	2020
			£	£
Fixed assets				
Intangible assets	14		437	894
Tangible assets	15		45,852	51,541
			46,289	52,435
Current assets				
Debtors	17	10,992,181		7,483,760
Cash at bank and in hand		4,685,024		1,512,209
		15,677,205		8,995,969
Creditors: amounts falling due within one year	18	8,349,600		5,114,593
Net current assets			7,327,605	3,881,376
Total assets less current liabilities			7,373,894	3,933,811
Creditors: amounts falling due after more than one year	19		1,569,954	–
Net assets			5,803,940	3,933,811

Northsix Europe Limited

Consolidated Statement of Financial Position *(continued)*

31 January 2021

	Note	2021	2020
		£	£
Capital and reserves			
Called up share capital	22	2	2
Other reserves, including the fair value reserve	23	9,921	9,921
Profit and loss account	23	5,794,017	3,923,888
Shareholder funds		5,803,940	3,933,811

These consolidated financial statements were approved by the board of directors and authorised for issue on 25 January 2022 , and are signed on behalf of the board by:

O Hicks

Director

Company registration number: 06483938

Northsix Europe Limited

Company Statement of Financial Position

31 January 2021

	Note		2021	2020
			£	£
Fixed assets				
Tangible assets	**15**		**30,524**	39,306
Investments	**16**		**36,570**	36,570
			67,094	75,876
Current assets				
Debtors	**17**	**3,564,341**		3,972,555
Cash at bank and in hand		**2,057,274**		484,337
		5,621,615		4,456,892
Creditors: amounts falling due within one year	**18**	**1,942,663**		1,897,898
Net current assets			**3,678,952**	2,558,994
Total assets less current liabilities			**3,746,046**	2,634,870
Creditors: amounts falling due after more than one year	**19**		**800,000**	–
Net assets			**2,946,046**	2,634,870

Northsix Europe Limited

Company Statement of Financial Position *(continued)*

31 January 2021

	Note	2021	2020
		£	£
Capital and reserves			
Called up share capital	**22**	**2**	2
Profit and loss account	**23**	**2,946,044**	2,634,868
Shareholder funds		**2,946,046**	2,634,870

The profit for the financial year of the parent company was £ 1,665,176 (2020: £ 1,788,089).

These consolidated financial statements were approved by the board of directors and authorised for issue on 25 January 2022 , and are signed on behalf of the board by:

O Hicks

Director

Company registration number: 06483938

Northsix Europe Limited

Consolidated Statement of Changes in Equity

Year ended 31 January 2021

	Note	Called up share capital	Other reserves, including the fair value reserve	Profit and loss account	**Total**
		£	£	£	**£**
At 1 February 2019		2	9,921	2,945,305	2,955,228
Profit for the year				2,179,467	2,179,467
Other comprehensive income for the year:					
Foreign currency retranslation		–	–	(79,024)	(79,024)
Total comprehensive income for the year		–	–	2,100,443	2,100,443
Dividends paid and payable	**13**	–	–	(1,121,860)	(1,121,860)
Total investments by and distributions to owners		–	–	(1,121,860)	(1,121,860)
At 31 January 2020		2	9,921	3,923,888	**3,933,811**
Profit for the year				3,185,549	**3,185,549**
Other comprehensive income for the year:					
Foreign currency retranslation		–	–	38,580	**38,580**
Total comprehensive income for the year		–	–	3,224,129	**3,224,129**
Dividends paid and payable	**13**	–	–	(1,354,000)	**(1,354,000)**
Total investments by and distributions to owners		–	–	(1,354,000)	**(1,354,000)**
At 31 January 2021		2	9,921	5,794,017	**5,803,940**

Northsix Europe Limited

Company Statement of Changes in Equity

Year ended 31 January 2021

		Called up share capital	Profit and loss account	**Total**
		£	£	**£**
At 1 February 2019		2	1,968,639	1,968,641
Profit for the year			1,788,089	1,788,089
Total comprehensive income for the year		–	1,788,089	1,788,089
Dividends paid and payable	**13**	–	(1,121,860)	(1,121,860)
Total investments by and distributions to owners		–	(1,121,860)	(1,121,860)
At 31 January 2020		2	2,634,868	**2,634,870**
Profit for the year			1,665,176	**1,665,176**
Total comprehensive income for the year		–	1,665,176	**1,665,176**
Dividends paid and payable	**13**	–	(1,354,000)	**(1,354,000)**
Total investments by and distributions to owners		–	(1,354,000)	**(1,354,000)**
At 31 January 2021		2	2,946,044	**2,946,046**

Northsix Europe Limited

Consolidated Statement of Cash Flows

Year ended 31 January 2021

	2021	2020
	£	£
Cash flows from operating activities		
Profit for the financial year	**3,185,549**	2,179,467
Adjustments for:		
Depreciation of tangible assets	**17,448**	21,672
Amortisation of intangible assets	**437**	425
Government grant income	**(179,383)**	–
Other interest receivable and similar income	**(17,293)**	(6,299)
Interest payable and similar expenses	**23,998**	11,094
Loss on disposal of tangible assets	**5,069**	–
Unrealised foreign currency loss/(gains)	**38,581**	(80,792)
Tax on profit	**1,003,886**	694,677
Accrued expenses/(income)	**779,207**	(537,213)
Changes in:		
Trade and other debtors	**(3,508,421)**	(1,175,706)
Trade and other creditors	**2,126,006**	593,556
Cash generated from operations	**3,475,084**	1,700,881
Interest paid	**(23,998)**	(11,094)
Interest received	**17,293**	6,299
Tax paid	**(1,003,886)**	(738,024)
Net cash from operating activities	**2,464,493**	958,062
Cash flows from investing activities		
Purchase of tangible assets	**(17,245)**	(25,492)
Net cash used in investing activities	**(17,245)**	(25,492)
Cash flows from financing activities		
Proceeds from borrowings	**1,899,748**	–
Government grant income	**179,383**	–
Dividends paid	**(1,354,000)**	(1,121,860)
Other financing cash flow adjustment	**436**	4,945
Net cash from/(used in) financing activities	**725,567**	(1,116,915)
Net increase/(decrease) in cash and cash equivalents	**3,172,815**	(184,345)
Cash and cash equivalents at beginning of year	**1,512,209**	1,696,554
Cash and cash equivalents at end of year	**4,685,024**	1,512,209

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Studio 3, Rochelle, Robson House, 24 Club Row, London, E2 7EY.

2. Statement of compliance

These consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

During the year the COVID-19 pandemic continued in the UK and EU resulting in national and local lockdowns. This had a negative impact on the growth of the company however the directors have taken appropriate action to ensure the company remained profitable throughout this period. The directors remain committed to the protection of the business and are mindful of the significant ongoing support being offered by the Government and where appropriate the directors will seek to ensure the company receives all available support. For these reasons the financial statements have been prepared on a going concern basis.

Disclosure exemptions

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual statement of comprehensive income.

Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

Judgements and key sources of estimation uncertainty

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 future events that are believed to be reasonable under the circumstances. Significant judgements The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as disclosed in the accounting policies. Key sources of estimation uncertainty Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as disclosed in the accounting policies.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Revenue from the provision of services is recognised when it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

The company holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the company and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at amortised cost.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Development costs	-	over the estimated useful life of five years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development

Research expenditure is written off in the period in which it is incurred. Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met: - It is technically feasible to complete the intangible asset so that it will be available for use or sale; - There is the intention to complete the intangible asset and use or sell it; - There is the ability to use or sell the intangible asset; - The use or sale of the intangible asset will generate probable future economic benefits; - There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and - The expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure that does not meet the above criteria is expensed as incurred.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance
Equipment	-	33% on cost, 25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Financial instruments

The company holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the company and their measurement basis are as follows: Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at amortised cost. Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Rendering of services	**27,957,373**	31,833,029

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2021	2020
	£	£
United Kingdom	**1,283,445**	3,844,095
Overseas	**26,673,928**	27,988,934
	27,957,373	31,833,029

5. Other operating income

	2021	2020
	£	£
Government grant income	**179,383**	–
Other operating income	**43,456**	5,402
	222,839	5,402

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Amortisation of intangible assets	**437**	425
Depreciation of tangible assets	**17,448**	21,672
Loss on disposal of tangible assets	**5,069**	–
Foreign exchange differences	**(38,338)**	58,038

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the consolidated financial statements	**30,000**	–

8. Staff costs

The average number of persons employed by the group during the year, including the director, amounted to:

	2021	2020
	No.	No.
Administrative staff	**35**	35

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	**2,481,415**	2,335,312
Social security costs	**643,618**	663,570
Other pension costs	**30,747**	29,756
	3,155,780	3,028,638

9. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	**28,961**	33,940

10. Amounts written back to investments

	2021	2020
	£	£
Impairment of investments	**607**	431

11. Interest payable and similar expenses

	2021	2020
	£	£
Interest on banks loans and overdrafts	**23,998**	7,137
Other interest payable and similar charges	**–**	3,957
	23,998	11,094

12. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	**414,089**	694,677
Foreign tax	**589,797**	–
Total current tax	**1,003,886**	694,677
Tax on profit	**1,003,886**	694,677

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19 % (2020: 19 %).

	2021	2020
	£	£
Profit on ordinary activities before taxation	**4,189,435**	2,874,144
Profit on ordinary activities by rate of tax	**795,992**	546,087
Adjustment to tax charge in respect of prior periods	–	63,101
Effect of expenses not deductible for tax purposes	**52,731**	2,764
Effect of capital allowances and depreciation	**1,669**	(1,924)
Differences in tax rates between countries	**153,494**	84,649
Tax on profit	**1,003,886**	694,677

13. Dividends

	2021	2020
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	**1,354,000**	1,121,860

14. Intangible assets

Group	Development costs
	£
Cost	
At 1 February 2020	**2,190**
Revaluations	**(3)**
At 31 January 2021	**2,187**
Amortisation	
At 1 February 2020	**1,296**
Charge for the year	**437**
Revaluations	**17**
At 31 January 2021	**1,750**
Carrying amount	
At 31 January 2021	**437**
At 31 January 2020	894

The company has no intangible assets.

15. Tangible assets

Group

	Plant and machinery £	Fixtures and fittings £	Equipment £	**Total £**
Cost				
At 1 February 2020	9,566	48,929	98,964	**157,459**
Additions	–	–	17,245	**17,245**
Disposals	(9,566)	–	(28,084)	**(37,650)**
Revaluations	–	–	(83)	**(83)**
At 31 January 2021	–	48,929	88,042	**136,971**
Depreciation				
At 1 February 2020	9,089	27,258	69,571	**105,918**
Charge for the year	–	5,418	12,030	**17,448**
Disposals	(9,089)	–	(23,492)	**(32,581)**
Revaluations	–	–	334	**334**
At 31 January 2021	–	32,676	58,443	**91,119**
Carrying amount				
At 31 January 2021	–	16,253	29,599	**45,852**
At 31 January 2020	477	21,671	29,393	51,541

Company

	Plant and machinery £	Fixtures and fittings £	Equipment £	**Total £**
Cost				
At 1 February 2020	9,566	48,929	52,039	**110,534**
Additions	–	–	6,462	**6,462**
Disposals	(9,566)	–	(28,084)	**(37,650)**
At 31 January 2021	–	48,929	30,417	**79,346**
Depreciation				
At 1 February 2020	9,089	27,258	34,881	**71,228**
Charge for the year	–	5,418	4,757	**10,175**
Disposals	(9,089)	–	(23,492)	**(32,581)**
At 31 January 2021	–	32,676	16,146	**48,822**
Carrying amount				
At 31 January 2021	–	16,253	14,271	**30,524**
At 31 January 2020	477	21,671	17,158	39,306

16. Investments

The group has no investments.

Company

	Shares in group undertakings £
Cost	
At 1 February 2020 and 31 January 2021	**36,570**
Impairment	

At 1 February 2020 and 31 January 2021		–
Carrying amount		
At 1 February 2020 and 31 January 2021	**36,570**	
At 31 January 2020	36,570	

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
SASU North6 - 11 rue Arthur Groussier, 75010 Paris	Ordinary	100
SAS 6 Underground - 11 rue Arthur Groussier, 75010 Paris	Ordinary	100
Northsiz Productions and Events Spain - Calle De Juan Bravo, 51 , 28006 Madrid,	Ordinary	100
Location Department Limited, First Floor, St Johns House, 16 Church Street, Bromsgrove, Worcestershire, UK, B61 8DN	Ordinary	100
Northsix Italy - Via Marmolada 15, 20162 Milan	Ordinary	100

Location Department Limited is dormant.

17. Debtors

	Group		**Company**	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade debtors	**7,032,894**	5,801,160	**1,093,436**	2,343,044
Amounts owed by group undertakings	**–**	–	**184,171**	644,453
Prepayments and accrued income	**1,005,655**	642,485	**884,145**	554,006
Other debtors	**2,953,632**	1,040,115	**1,402,589**	431,052
	10,992,181	7,483,760	**3,564,341**	3,972,555

18. Creditors: amounts falling due within one year

	Group		**Company**	
	2021	2020	**2021**	2020
	£	£	**£**	£
Bank loans and overdrafts	**440,583**	105,873	**200,000**	105,873
Trade creditors	**4,066,920**	3,141,630	**710,987**	808,593
Amounts owed to group undertakings	**–**	–	**65,644**	12,868
Accruals and deferred income	**1,382,287**	603,080	**190,468**	513,753
Social security and other taxes	**2,115,879**	1,037,260	**660,942**	410,328
Director loan accounts	**29**	4,945	**29**	4,945
Other creditors	**343,902**	221,805	**114,593**	41,538
	8,349,600	5,114,593	**1,942,663**	1,897,898

The bank loans are secured by a fixed and floating charge against of the assets within the group. The bank loans are also subject to a government backed guarantee.

19. Creditors: amounts falling due after more than one year

	Group		**Company**	
	2021	2020	**2021**	2020
	£	£	**£**	£
Bank loans and overdrafts	**1,569,954**	–	**800,000**	–

The bank loans are secured by a fixed and floating charge against of the assets within the group. The bank loans are also subject to a government backed guarantee.

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 30,747 (2020: £ 29,756).

21. Government grants

The amounts recognised in the consolidated financial statements for government grants are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Recognised in other operating income:				
Government grants recognised directly in income	**179,383**	–	**43,866**	–

22. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	**£**	No.	£
Ordinary shares of £ 1 each	**2**	**2**	2	2

23. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs . Profit and loss account - This reserve records retained earnings and accumulated losses . Foreign exchange reserve - This reserve records the foreign exchange on consolidation adjustment.

24. Analysis of changes in net debt

	At 1 Feb 2020	Cash flows	At 31 Jan 2021
	£	£	**£**
Cash at bank and in hand	1,512,209	3,172,815	**4,685,024**
Debt due within one year	(110,818)	(329,794)	**(440,612)**
Debt due after one year	–	(1,569,954)	**(1,569,954)**
	1,401,391	1,273,067	**2,674,458**

25. Operating leases

As lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Not later than 1 year	**56,976**	52,021	**56,976**	52,021
Later than 1 year and not later than 5 years	**227,902**	267,233	**227,902**	267,233
Later than 5 years	–	56,976	–	56,976
	284,878	376,230	**284,878**	376,230

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Not later than 1 year	**3,000**	–	**3,000**	–

26. Director's advances, credits and guarantees

The director has a loan account with the company, the opening balance owed by the company to the director was £4,946. During the year dividends of £1,354,000 were paid to the directors loan account and funds of £1,358,916 were advanced to the director. The closing balance owed to the director was £29.

27. Related party transactions

Group

During the year the group had the following transactions with North Six Inc. a company under common control; Sales of £233,634 (2020 £1,167,639), purchases of £626,865 (2020 £1,163,348). At the year end the group was owed £474,279 (2020 £709,537) in trade balances and the group owed £121,047 (2020 £61,237). The group has also loaned funds to North Six Properties Limited, a company under common control. The loan is repayable with 10 days notice and interest is charged at 5% per annum. At the year end the group was owed £1,029,179 (2020 £nil). The company and group is under the control of O Hicks . The total remuneration for key management personnel was £539,742 (2020 £604,816).