

TALENTMARK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



TALENTMARK LIMITED
REGISTERED NUMBER:01004708

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	As restated 2017 £
Fixed assets			
Intangible assets	5	18,380	37,660
Tangible assets	6	10,110	36,855
Investments	7	1	-
		<u>28,491</u>	<u>74,515</u>
Current assets			
Debtors: amounts falling due within one year	8	2,006,349	1,383,935
Cash at bank and in hand	9	344,618	278,114
		<u>2,350,967</u>	<u>1,662,049</u>
Creditors: amounts falling due within one year	10	(1,443,067)	(1,134,274)
Net current assets		<u>907,900</u>	<u>527,775</u>
Total assets less current liabilities		<u>936,391</u>	<u>602,290</u>
Net assets		<u><u>936,391</u></u>	<u><u>602,290</u></u>
Capital and reserves			
Called up share capital		139,750	139,750
Share premium account		4,930	4,930
Profit and loss account		791,711	457,610
		<u>936,391</u>	<u>602,290</u>

TALENTMARK LIMITED
REGISTERED NUMBER:01004708

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

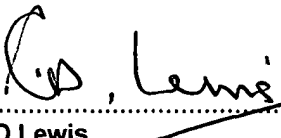
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

26 June 2019


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C D Lewis
Director

The notes on pages 3 to 12 form part of these financial statements.

TALENTMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Talentmark Limited is a private company limited by shares, incorporated in England and Wales, registration number 01004708. The address of its principal place of business is Capital Tower, 91 Waterloo Road, London, SE1 8RT.

The principal activity of the Company is executive search and recruitment in the life sciences sector.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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 resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.6 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. All intangible assets are written off on a straight line basis over 2 years, as this is the directors best estimate of useful economic life.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- over 2 years
Computer equipment	- over 2 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Financial instruments

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.16 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 35 (2017 - 35).

4. Prior year adjustment

During the year the directors conducted a full review of the Balance Sheet and identified items which should have been expensed in previous periods.

A 2017 management charge from Talentmark Life Sciences Consulting GmbH of £98,074 was incorrectly held in the intercompany account on the balance sheet. A prior year adjustment which increased administration expenses and decreased debtors has been made in 2017.

2016 bonuses were under accrued by £24,397 and the debit was held on the balance sheet at the 2017 year end. A prior year adjustment which increased administration expenses and decreased debtors has been made in 2017.

Payments of £50,159 made to former management team members in relation to the period before 2017 were being held in debtors on the balance sheet. An adjustment has been made into the prior year opening balances to reduce debtors and reserves by £50,159.

TALENTMARK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Intangible assets

	Website development £	Computer software £	Total £
Cost			
At 1 January 2018	47,378	31,540	78,918
Additions	18,030	-	18,030
Disposals	(47,378)	(20,815)	(68,193)
At 31 December 2018	18,030	10,725	28,755
Amortisation			
At 1 January 2018	33,247	8,011	41,258
Charge for the year	751	5,363	6,114
On disposals	(33,247)	(3,750)	(36,997)
At 31 December 2018	751	9,624	10,375
Net book value			
At 31 December 2018	17,279	1,101	18,380
At 31 December 2017	14,131	23,529	37,660

TALENTMARK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2018	3,446	89,035	92,481
Additions	10,474	2,640	13,114
Disposals	(7,834)	(75,455)	(83,289)
At 31 December 2018	6,086	16,220	22,306
Depreciation			
At 1 January 2018	184	55,442	55,626
Charge for the year on owned assets	7,307	3,043	10,350
Disposals	(3,978)	(49,802)	(53,780)
At 31 December 2018	3,513	8,683	12,196
Net book value			
At 31 December 2018	2,573	7,537	10,110
At 31 December 2017	3,262	33,593	36,855

TALENTMARK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	1
At 31 December 2018	1
Net book value	
At 31 December 2018	1
At 31 December 2017	-

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Talentmark LLC	USA	Ordinary	100 %	Executive search and recruitment

The aggregate of the share capital and reserves as at 31 December 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Talentmark LLC	(114,649)	(114,650)

The registered office of Talentmark LLC is 10 Post Office Square Suite 800 South, Boston, MA 02109.

TALENTMARK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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8. Debtors

	2018 £	As restated 2017 £
Trade debtors	755,849	561,160
Amounts owed by group undertakings	1,096,245	386,533
Other debtors	97,389	278,772
Prepayments and accrued income	56,866	157,470
	<u>2,006,349</u>	<u>1,383,935</u>

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>344,618</u>	<u>278,114</u>

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	82,445	83,808
Amounts owed to group undertakings	236,949	-
Corporation tax	139,102	-
Other taxation and social security	252,926	281,103
Other creditors	66,843	275,056
Accruals and deferred income	664,802	494,307
	<u>1,443,067</u>	<u>1,134,274</u>

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £32,803 (2017 - £29,592).

12. Related party transactions

At 31 December 2018 the company was owed £Nil (2017: £134,296) by D Nolan, a director. Advances during the year totalled £10,208 (2017: £125,000). All balances were repaid during the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Controlling party

The immediate and ultimate parent undertaking is Talentmark Life Sciences Limited which is incorporated in England.

During the current and previous period the Company was under the control of Dr W R Neilson by virtue of his shareholding in the parent company, Talentmark Life Sciences Limited.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 23 September 2019 by BIANCA SILVA ACA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.