

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**FOR**

**ELEMENTS TALENT CONSULTANCY LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Page</b>
<b>Company Information</b>	1
<b>Balance Sheet</b>	2
<b>Notes to the Financial Statements</b>	3

**ELEMENTS TALENT CONSULTANCY LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**DIRECTORS:** D J Goldstein  
R Satsangi

**REGISTERED OFFICE:** 4th Floor  
32 Jamestown Road  
London  
NW1 7BY

**REGISTERED NUMBER:** 06981002 (England and Wales)

**AUDITORS:** Numera Partners LLP  
Statutory Auditors  
6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

**ELEMENTS TALENT CONSULTANCY LIMITED (REGISTERED NUMBER: 06981002)**

**BALANCE SHEET**  
**31 DECEMBER 2019**

		31.12.19		31.12.18 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4		998,386		26,436
Investments	5		<u>25,637</u>		<u>25,633</u>
			1,024,023		52,069
<b>CURRENT ASSETS</b>					
Debtors	6	2,057,316		1,904,875	
Cash at bank		<u>1,380,687</u>		<u>1,970,577</u>	
		3,438,003		3,875,452	
<b>CREDITORS</b>					
Amounts falling due within one year	7	<u>2,587,196</u>		<u>1,082,696</u>	
<b>NET CURRENT ASSETS</b>					
			<u>850,807</u>		<u>2,792,756</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			1,874,830		2,844,825
<b>CREDITORS</b>					
Amounts falling due after more than one year	8		(1,453,750)		(710,667)
<b>PROVISIONS FOR LIABILITIES</b>					
			<u>(30,674)</u>		<u>(5,023)</u>
<b>NET ASSETS</b>					
			<u>390,406</u>		<u>2,129,135</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			5,060		5,076
Share premium			2,396,298		2,498,033
Capital redemption reserve			600		600
Retained earnings			<u>(2,011,552)</u>		<u>(374,574)</u>
			<u>390,406</u>		<u>2,129,135</u>

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

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

The financial statements were approved by the Board of Directors and authorised for issue on 18 September 2020 and were signed on its behalf by:

D J Goldstein - Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

1. **STATUTORY INFORMATION**

Elements Talent Consultancy 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 presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**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	- 20% on cost
Computer equipment	- 50% on cost

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the assets as if it were at the age and in condition expected at the end of its useful life.

**Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

2. **ACCOUNTING POLICIES - continued**

**Deferred tax**

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

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

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

**Foreign currencies**

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.

**Hire purchase and leasing commitments**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**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 profit or loss in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

2. **ACCOUNTING POLICIES - continued**

**Financial instruments**

The company has elected to apply the provisions of section 11 'basic financial instruments' and section 12 'other financial instruments issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to contractual provisions of the instruments.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic Financial instruments**

Basic financial instruments, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairments at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in the profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are recognised only when the contractual rights to the cashflows form the asset expire or are settled, or when the company transfers the financial assets and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

2. **ACCOUNTING POLICIES - continued**

**Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company, therefore continues to adopt the going concern policy in preparing its financial statements.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 129 (2018 - 73) .

4. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2019	18,628	75,705	94,333
Additions	1,159,624	39,219	1,198,843
At 31 December 2019	<u>1,178,252</u>	<u>114,924</u>	<u>1,293,176</u>
<b>DEPRECIATION</b>			
At 1 January 2019	15,068	52,829	67,897
Charge for year	179,753	47,140	226,893
At 31 December 2019	<u>194,821</u>	<u>99,969</u>	<u>294,790</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>983,431</u>	<u>14,955</u>	<u>998,386</u>
At 31 December 2018	<u>3,560</u>	<u>22,876</u>	<u>26,436</u>

5. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2019	25,633
Additions	4
At 31 December 2019	<u>25,637</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>25,637</u>
At 31 December 2018	<u>25,633</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

6.	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
		31.12.19	31.12.18 as restated
		£	£
	Trade debtors	772,118	980,096
	Amounts owed by group undertakings	204,486	197,851
	Other debtors	<u>1,080,712</u>	<u>726,928</u>
		<u>2,057,316</u>	<u>1,904,875</u>
7.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
		31.12.19	31.12.18 as restated
		£	£
	Trade creditors	199,821	235,334
	Taxation and social security	498,327	182,070
	Other creditors	<u>1,889,048</u>	<u>665,292</u>
		<u>2,587,196</u>	<u>1,082,696</u>
8.	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
		31.12.19	31.12.18 as restated
		£	£
	Other creditors	<u>1,453,750</u>	<u>710,667</u>

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

The Report of the Auditors was unqualified.

Giles Cohen (Senior Statutory Auditor)  
for and on behalf of Numera Partners LLP

10. **PENSION COMMITMENTS**

The company operates a defined contribution 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 £136,317 (2018: £51,362).

11. **PRIOR YEAR ADJUSTMENT**

A prior year adjustment and a restatement of comparatives has been made to amend deferred income in the balance sheet and revenue in the profit and loss account.

The effect on the year ended 31 December 2018 financial statements is as follows:

A prior year adjustment to retained earnings at 31 December 2018 of £379,455 as a result of a decrease in revenue.

A prior year adjustment to deferred income at 31 December 2018 of £379,455 as a result of an increase in deferred income.

In addition, there has been a reclassification of comparatives between administrative expenses and cost of sales to reflect a more appropriate classification of the LinkedIn expenses.

The effect of the above comparative adjustment has increased cost of sales by £426,895 and decreased administrative expenses by £426,895.

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