

Company Registration No. 03788854

Cordium Consulting Limited

Annual Report and Financial Statements

For the 18 months ended 31 December 2018



Cordium Consulting Limited

Annual Report and Financial Statements For the 18 months ended 31 December 2018

Contents	Page
Officers and professional advisers	1
Directors' report	2
Strategic report	3
Profit and loss account and other comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7

Cordium Consulting Limited

Annual Report and Financial Statements For the 18 months ended 31 December 2018

Officers and professional advisers

Directors

P B Naughton
R G Weekes

Registered Office

130 Jermyn Street
London
SW1Y 4UR

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Cordium Consulting Limited

Annual Report and Financial Statements For the 18 months ended 31 December 2018

Directors' report

The directors present the Annual Report and Financial Statements of the Company for the period ended 31 December 2018.

Results and dividends

The profit before tax for the period amounted to £ 3,656,937 (2017: £3,096,863). No interim dividend was declared in the period (2017: £nil).

Directors

The directors who served throughout the period, except as noted, were as follows:

A D P Insley (Resigned 29th November 2017)

S J J Burke (Resigned 31st August 2018)

P B Naughton

R G Weekes (Appointed 31st August 2018)

R L Stype (Appointed 31st August 2018; Resigned 7th June 2019)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

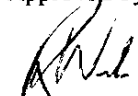
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of their profit or loss for that year. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Approved by the Board and signed on its behalf by:



R G Weekes

Director

27 September 2019

Cordium Consulting Limited

Annual report and financial statements For the 18 months ended 31 December 2018

Strategic report

Principal activity and business review

The principal activity of the company in the period under review was that of regulatory consulting services. The business continued to perform strongly in the period.

Key performance indicators

The key financial highlights, as set out in the financial statements, are as follows:

	18 months to 31 December 2018 £	12 months to 30 June 2017 £
Turnover	8,250,409	6,141,835
Profit for the period / year	3,656,937	3,096,863
Shareholders' funds	13,406,415	9,678,245

Principal risks and uncertainties

The Company is part of a wider trading group headed in the EEA by Columbo Topco Limited (the "Group"). The Company is supported by the Group.

The Company has little exposure to currency risks. The directors do not consider credit risk exposure to be significant to the business due to having long-term existing relationships with many customers and monitoring levels of debtors on a regular basis. This is mitigated by ensuring depth and breadth amongst the customer base and by maintaining good communication and relationships with key customers, and loss of key personnel which is managed by close team working, good communication and appropriate remuneration as well as key-man insurance where appropriate.

Going concern

The Company holds sufficient levels of cash balances and overdraft flexibility to meet all its day-to-day working capital requirements. The Company is part of a larger Group which also supports the Company. As a result, the directors have a solid expectation that the Company has adequate resources and support to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Acquisition by ACA Corporate Holdings Inc.

On 31 August 2018, ACA Corporate Holdings Inc. acquired 100% of the ordinary share capital in Columbo TopCo Limited, of which Cordium Consulting Limited is a subsidiary. There was no impact on the Company's results and balances as a consequence of this transaction.

Approved by the Board and signed on its behalf by:



R G Weekes

Director

27 September 2019

Cordium Consulting Limited

Profit and loss account and other comprehensive income For the 18 months ended 31 December 2018

		18 months to December 2018 £	12 months to June 2017 £
	Notes		
Turnover	2	8,250,409	6,141,835
Administrative expenses		(4,590,925)	(3,042,744)
Operating Profit		3,659,484	3,099,091
Interest payable and similar charges	3	(2,547)	(2,228)
Profit on ordinary activities before taxation		3,656,937	3,096,863
Tax on profit on ordinary activities	7	-	-
Profit for the period / year and total comprehensive income for the period / year		3,656,937	3,096,863

All results are derived from continuing operations.

The notes on pages 7 to 13 are an integral part of these financial statements.

Cordium Consulting Limited

Balance sheet

As at 31 December 2018

Directors' report

	Notes	18 months to December 2018 £	12 months to June 2017 £
Fixed assets			
Tangible assets	8	-	1,114
		-	1,114
Current assets			
Debtors	9	24,498,145	15,848,218
Cash at bank and in hand		223,114	320,405
		24,721,259	16,168,623
Creditors: Amounts falling due within one year	10	(11,314,844)	(6,491,492)
Net current assets		13,406,415	9,677,131
Total assets less current liabilities		13,406,415	9,678,245
Net assets		13,406,415	9,678,245
Capital and reserves			
Called-up share capital	11	5,080	5,080
Other reserves	12	71,233	-
Profit and loss account		13,330,102	9,673,165
Shareholders' funds		13,406,415	9,678,245

The notes on pages 7 to 13 are an integral part of the financial statements.

For the period ending 31 December 2018, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Cordium Consulting Limited (registered number 03788854) were approved by the board of directors and authorised for issue on 27 September 2019. They were signed on its behalf by:



R G Weekes
Director

27 September 2019

Cordium Consulting Limited

Statement of changes in equity For the 18 months ended 31 December 2018

	Called up share capital £	Other Reserves £	Profit and loss account £	Total equity £
Balance at 1 July 2016	5,080	-	6,576,302	6,581,382
Profit for the year	-	-	3,096,863	3,096,863
Balance as at 30 June 2017	5,080	-	9,673,165	9,678,245
	Called up share capital £	Other Reserves £	Profit and loss account £	Total equity £
Balance at 1 July 2017	5,080	-	9,673,165	9,678,245
Profit for the period	-	-	3,656,937	3,656,937
Shared based payments	-	71,233	-	71,233
Balance as at 31 December 2018	5,080	71,233	13,330,102	13,406,415

The notes on pages 7 to 13 are an integral part of these financial statements.

Cordium Consulting Limited

Notes to the financial statements (continued) For the 18 months ended 31 December 2018

1. Accounting policies

General information

Cordium Consulting Limited is a private company limited by shares and is incorporated and domiciled in England. The company's registered office is at 130 Jermyn Street, London SW1Y 4UR. The Company's principal activity is stated in the Strategic Report.

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1.

Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention, except for derivative financial instruments classified at fair value through the profit and loss, and in accordance with applicable United Kingdom law and accounting standards.

The Company has taken advantage of the exemptions available within FRS102 (paragraph 1.12b and paragraph 33.1A) not to prepare a cash flow statement and not to disclose transactions entered into between two or more members of the Group, on the basis that all subsidiary undertakings party to the transactions are wholly owned by a member of the Group, whose financial statements are publicly available.

The company is exempt from the requirement to prepare group accounts as it is itself a wholly-owned subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Going concern

The Company is part of a Group which meets its day-to-day working capital requirements through its current cash balances and agreed banking facilities. The Group's forecasts and projections are completed after taking into account possible changes in trading performance and current economic uncertainty. They show that the Group should be able to operate within the level of its current cash balances and agreed banking facilities.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources and support to meet all future obligations and to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Company's accounting policies

The company makes a number of assessments which require judgement in preparing the accounts and can have a significant effect upon the financial statements. However due to the straight forward nature of the company's business, management does not believe that there are any judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates may by definition, differ from actual results. However due to the straight forward nature of the company's business, management does not believe that there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Cordium Consulting Limited

Notes to the financial statements (continued) For the 18 months ended 31 December 2018

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency (Sterling) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax. Revenue is recognised when the actual service is carried out where appropriate or when the income becomes contractually receivable. Where the provision of services is ahead of billing, the amounts are recorded as accrued income. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income. All revenue is derived from one class of business and supplied to one geographical segment, the United Kingdom.

Expenses

Interest receivable and interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income includes net foreign exchange gains

Interest income and interest payable are recognised in profit or loss as they accrue. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Employee Benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pension Costs

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

Tax on the profit or loss for the period comprises only current tax as there was no deferred tax during the period. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Cordium Consulting Limited

Notes to the financial statements (continued) For the 18 months ended 31 December 2018

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

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.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Fixtures, fittings, tools and equipment 3 years

Computers 3 years

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Basic financial instruments

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs.

Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest bearing borrowings classified as financial instruments

Interest-bearing borrowings include bank loans, overdrafts and loan notes. They are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant determined by an independent firm of valuation experts. The fair value of the awards was estimated on the date of grant using both market and income-based models. The fair value at the date of grant is expensed on a straight-line basis over the vesting period, based on the estimate of units that will eventually vest. The vesting period varies between four and five

Cordium Consulting Limited

Notes to the financial statements (continued) For the 18 months ended 31 December 2018

years. A corresponding adjustment is made to equity. Unvested awards following cancellation or settlement (including those resulting from employee redundancies) are cancelled.

During the period, SIH ACA TopCo L.P., an affiliated company in the ACA Group issued equity – based awards for Class A and Class B units. The Class A units are subject to a five-year time vesting schedule while the Class B units are subject to both a four-year time vesting schedule and performance-based vesting criteria as set forth in the applicable grant agreement.

2. Turnover and segment information

All revenue is generated through one class of business, supplied to one geographical market, the United Kingdom.

3. Interest payable and similar charges

	18 months to December 2018 £	12 months to June 2017 £
Interest payable and similar charges	2,547	2,228
	<u>2,547</u>	<u>2,228</u>

4. Expenses and auditors' remuneration

	18 months to December 2018 £	12 months to June 2017 £
This is stated after charging:		
- Group auditors' remuneration	-	-
	<u>-</u>	<u>-</u>

During the period and during 2017, the group audit fee was recognised wholly in Columbo BidCo Limited.

5. Staff costs

The average monthly number of employees was:

	18 months to December 2018	12 months to June 2017
Consultant numbers	29	29
	<u>29</u>	<u>29</u>
	18 months to December 2018 £	12 months to June 2017 £
Their aggregate remuneration comprised:		
Wages and salaries	3,161,330	2,123,385
Social security costs	361,822	236,822
Other pension costs	159,878	105,105
	<u>3,683,030</u>	<u>2,465,312</u>

Cordium Consulting Limited

Notes to the financial statements (continued) For the 18 months ended 31 December 2018

6. Directors' remuneration

Remuneration of the directors of the Group, and of the company, is set out in the consolidated statutory accounts of Columbo Top Co Ltd.

7. Tax on profit on ordinary activities

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	18 months to December 2018 £	12 months to June 2017 £
<i>Current tax:</i>		
Current tax on income for the period	-	-
Total tax	-	-

All tax charges are recognised in the profit for the period

	18 months to December 2018 £	12 months to June 2017 £
<i>Analysis of current tax recognised in profit and loss account</i>		
UK corporation tax	-	-
Total current tax recognised in profit and loss account	-	-

Reconciliation of effective tax rate

	18 months to December 2018 £	12 months to June 2017 £
Profit on ordinary activities before tax	3,656,937	3,096,863
Total tax expense	-	-
Tax (charge)/credit using the UK corporate tax rate of 19.00 % (2017: 19.75%)	(694,818)	(611,630)
Expenses not deductible for tax purposes	(3,787)	(51,542)
Unutilised tax losses	-	(2,271)
Group relief (surrendered)/claimed	698,605	665,443
Total tax expense included in profit or loss	-	-

Cordium Consulting Limited

Notes to the financial statements (continued) For the 18 months ended 31 December 2018

8. Tangible assets

	Plant and machinery £	Leased assets £	Total £
Cost			
At 1 July 2017	17,392	65,189	82,581
Additions	-	-	-
Disposals	(17,392)	(65,189)	(82,581)
At 31 December 2018	-	-	-
Depreciation			
At 1 July 2017	16,278	65,189	81,467
Charge for the period	1,114	-	1,114
Disposals	(17,392)	(65,189)	(82,581)
At 31 December 2018	-	-	-
Net book value			
At 31 December 2018	-	-	-
At 30 June 2017	1,114	-	1,114

9. Debtors: amounts falling due within one year

	December 2018 £	June 2017 £
Trade debtors	616,862	808,562
Amounts owed from group undertakings	23,744,153	14,928,449
Other debtors	14,889	13,426
Prepayments and accrued income	122,241	97,781
	<u>24,498,145</u>	<u>15,848,218</u>

10. Creditors: amounts falling due within one year

	December 2018 £	June 2017 £
Trade creditors	10,022	63,818
Amounts owed to group undertakings	10,793,936	5,395,416
Other taxation and social security	126,964	393,723
Other creditors	35,800	60,608
Accruals and deferred income	348,122	577,927
	<u>11,314,844</u>	<u>6,491,492</u>

Included within other creditors is a pension accrual of £13,400 (2017: £9,605).

Cordium Consulting Limited

Notes to the financial statements (continued) For the 18 months ended 31 December 2018

11. Called-up share capital

	December 2018 £	June 2017 £
Called up share capital	5,080	5,080
	<u>5,080</u>	<u>5,080</u>

	December 2018		June 2017	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>50,800</u>	<u>5,080</u>	<u>50,800</u>	<u>5,080</u>

All shares are classified as equity. All of the ordinary shares carry voting rights of one vote per share and all were issued, allotted and fully paid on 31 December 2018.

12. Other Reserves

During the period SIH ACA TopCo L.P., an affiliated company in the wider ACA Group, awarded equity units to certain employees of the company. Details of the arrangement have been disclosed in the consolidated accounts of Columbo Topco Limited, in which the results and balances of the company have been included.

During the period, £71,233 was expensed in the profit and loss account.

13. Ultimate parent company, parent undertaking of large group and related party transactions

The immediate parent company is Cordium Consulting Group Limited.

As at 31 December 2018, the ultimate parent undertaking was Starr Investment Holdings LLC by virtue of its indirect interest in Columbo Topco Limited. The company's financial statements are consolidated into these financial statements due to it being the highest level undertaking established in the EEA. Columbo Topco Limited is registered at 130 Jermyn Street, London, SW1Y 4UR.

Columbo Topco Limited's financial statements are also consolidated into ACA Corporate Holdings Inc, which are the largest set of financial statements in which the company is consolidated. Both Starr Investment Holdings LLC and ACA Corporate Holdings Inc are incorporated in the USA.

The Company has taken exemption from disclosing related party transactions with other wholly-owned members of the Group in accordance with FRS102 paragraph 33.1A; and from disclosing the total remuneration in respect of key management personnel in accordance with FRS102 paragraph 1.12E.