

Registered number: 07609633

CONSCIENTIA COMMUNICATIONS LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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CONSCIENTIA COMMUNICATIONS LIMITED

COMPANY INFORMATION

Directors	M Morrow N G Jones
Registered number	07609633
Registered office	8th Floor, Holborn Gate 26 Southampton Buildings London United Kingdom WC2A 1AN

CONSCIENTIA COMMUNICATIONS LIMITED

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CONSCIENTIA COMMUNICATIONS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Introduction

The Directors present their strategic report on the Company for the year ended 31 December 2018.

Business review

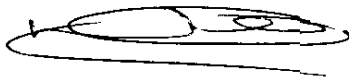
The Company did not trade during the year and the Directors do not anticipate that the Company will trade in the foreseeable future.

The Company is a subsidiary of Huntsworth plc, for which the key performance indicators have been identified as revenue and profit before tax growth.

Principal risks and uncertainties

The ultimate parent of the Company reviews the principal risks and uncertainties facing the Group and individual companies. The Company's key risks and uncertainties are identified as: economic downturn; political instability; currency risk; service offering fails to evolve to meet changing market needs; client dissatisfaction and loss of key clients; loss of key talent; poor profitability, information systems access and security; unethical business practices and legal and regulatory compliance.

This report was approved by the board on 27 June 2019 and signed on its behalf.



N G Jones
Director

CONSCIENTIA COMMUNICATIONS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to \$3,997,500 (2017 - \$3,712,747).

The Directors proposed and paid a dividend of \$3,997,500 during the year (2017: \$3,712,747).

Directors

The directors who served during the year were:

M Morrow
N G Jones

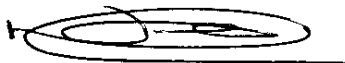
Future developments

The Directors expect that the Company will continue with its existing operations for the foreseeable future.

Post balance sheet events

The Company is a party to the Group's multi-currency loan facility. After the year end, in February 2019, the Group completed a further amend and extend of its facility, as a result of which the Group has available a £130 million multi-currency revolving credit facility with a £50 million accordion option, committed until March 2023, together with a £5 million uncommitted overdraft and a \$10 million uncommitted overdraft.

This report was approved by the board on *27 June 2019* and signed on its behalf.



N G Jones
Director

CONSCIENTIA COMMUNICATIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to.

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

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

CONSCIENTIA COMMUNICATIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	Audited 2017 \$
Interest receivable and similar income	6	3,997,500	3,712,747
Profit before tax		3,997,500	3,712,747
Tax on profit	7	-	-
Profit for the financial year		3,997,500	3,712,747

There was no other comprehensive income for 2018 (Audited 2017:\$NIL).

The notes on pages 7 to 13 form part of these financial statements.

CONSCIENTIA COMMUNICATIONS LIMITED
REGISTERED NUMBER: 07609633

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 \$	Audited 2017 \$
Current assets			
Debtors	9	56,300,001	56,300,001
		<u>56,300,001</u>	<u>56,300,001</u>
Creditors: amounts falling due within one year	10	(56,300,000)	(56,300,000)
		<u></u>	<u></u>
Net current assets		<u>1</u>	<u>1</u>
Total assets less current liabilities		<u>1</u>	<u>1</u>
		<u></u>	<u></u>
Net assets		<u>1</u>	<u>1</u>
		<u></u>	<u></u>
Capital and reserves			
Called up share capital	11	1	1
		<u>1</u>	<u>1</u>
		<u></u>	<u></u>

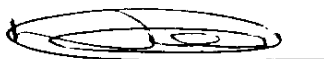
The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

27 June 2019.



N G Jones
Director

The notes on pages 7 to 13 form part of these financial statements.

CONSCIENTIA COMMUNICATIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2017	1	-	1
Comprehensive income for the year - audited			
Profit for the year	-	3,712,747	3,712,747
Total comprehensive income for the year	-	3,712,747	3,712,747
Dividends: Equity capital	-	(3,712,747)	(3,712,747)
At 1 January 2018	1	-	1
Comprehensive income for the year - unaudited			
Profit for the year	-	3,997,500	3,997,500
Total comprehensive income for the year	-	3,997,500	3,997,500
Dividends: Equity capital	-	(3,997,500)	(3,997,500)
At 31 December 2018	1	-	1

The notes on pages 7 to 13 form part of these financial statements.

CONSCIENTIA COMMUNICATIONS LIMITED

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

1. General information

Conscientia Communications Limited ('the Company') is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is 8th Floor, Holborn Gate, 26 Southampton Buildings, London, England, WC2A 1AN.

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The accounting policies have been applied consistently other than where new policies have been adopted.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 New standards, amendments and IFR IC interpretations

No new accounting standards, or amendments to accounting standards, or IFR IC (IFRS Interpretations Committee) interpretations that are effective for the year ended 31 December 2018 have had a material impact on the company.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Company. The standards, that are not yet effective, are expected to not have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

CONSCIENTIA COMMUNICATIONS LIMITED

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

2. Accounting policies (continued)

2.4 Going concern

On the basis of their assessment of the Company's financial position the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

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.

2.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.7 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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.

2.8 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that

CONSCIENTIA COMMUNICATIONS LIMITED

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

2. Accounting policies (continued)

2.8 Financial instruments (continued)

are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

2.9 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. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgments and assumptions about the future, based on historical experience and other factors which are considered to be relevant. The resulting accounting estimate will, by definition, seldom equal the related actual results.

CONSCIENTIA COMMUNICATIONS LIMITED

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

4. Auditors' remuneration

The following amounts were paid to the Company's auditors in respect of the audit of the financial statements. This audit fee was borne by another group company:

	2018	<i>Audited 2017</i>
	\$	\$
Fees for the audit of the Company	-	6,413
	<u>-</u>	<u>6,413</u>
	<u>-</u>	<u>6,413</u>

The audit fee in the prior year was £4,750. Using the year end exchange rate of 1.35, this has been converted to \$6,413 for the 2017 financial statements.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - \$NIL).

The Directors are not remunerated for services provided to this Company and are paid for by another group Company. It is not possible to accurately allocate remuneration between entities for qualifying services.

6. Interest receivable and similar income

	2018	<i>Audited 2017</i>
	\$	\$
Interest receivable from group companies	3,997,500	3,712,747
	<u>3,997,500</u>	<u>3,712,747</u>
	<u>3,997,500</u>	<u>3,712,747</u>

CONSCIENTIA COMMUNICATIONS LIMITED

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

7. Taxation

	2018 \$	Audited 2017 \$
Total current tax	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 \$	Audited 2017 \$
Profit on ordinary activities before tax	3,997,500	3,712,747
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	759,525	714,704
Effects of:		
UK transfer pricing adjustment	(759,525)	(714,704)
Total tax charge for the year	-	-

Factors that may affect future tax charges

The UK Government has enacted a reduction in the main rate of corporation tax to 17% with effect from 1 April 2020. The impact of this change is incorporated in the deferred tax numbers reported.

8. Dividends

	2018 \$	Audited 2017 \$
Ordinary		
\$3,997,500 (2017 \$3,712,747) per £1 share	3,997,500	3,712,747
	3,997,500	3,712,747

CONSCIENTIA COMMUNICATIONS LIMITED

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

9. Debtors: amounts falling due after more than one year

	2018 \$	Audited 2017 \$
Due after more than one year		
Amounts owed by group undertakings	56,300,001	56,300,001
	<u>56,300,001</u>	<u>56,300,001</u>

Interest is receivable on intercompany loan notes of \$30,000,000 at 6.75% per annum and on intercompany loan notes of \$26,000,000 at 7.50% per annum.

10. Creditors: Amounts falling due within one year

	2018 \$	Audited 2017 \$
Amounts owed to group undertakings	56,300,000	56,300,000
	<u>56,300,000</u>	<u>56,300,000</u>

The loan is interest free, unsecured and repayable on demand.

11. Called up share capital

	2018 \$	Audited 2017 \$
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary share of £1.00	1	1
	<u>1</u>	<u>1</u>

12. Contingent liabilities

The Company is a party to the Group's multi-currency facility with Lloyds Bank plc, HSBC UK Bank plc, The Governor and Company of the Bank of Ireland and Santander UK plc, which the Company entered into through cross guarantee and indemnity arrangements. As at 31 December 2018 the Group had available a £105 million multi-currency revolving credit facility with a £10 million accordion option, committed until September 2021, together with a £5 million uncommitted overdraft.

CONSCIENTIA COMMUNICATIONS LIMITED

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

13. Post balance sheet events

The Company is a party to the Group's multi-currency loan facility. After the year end, in February 2019, the Group completed a further amend and extend of its facility, as a result of which the Group has available a £130 million multi-currency revolving credit facility with a £50 million accordion option, committed until March 2023, together with a £5 million uncommitted overdraft and a \$10 million uncommitted overdraft.

14. Controlling party

The Company's immediate parent undertaking is Huntsworth Communications Limited and its ultimate and controlling parent company is Huntsworth plc. Huntsworth plc is the smallest and largest group to consolidate these financial statements. Copies of Huntsworth plc's consolidated financial statements, which include the Company, are available from its registered office at 8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN.