

Company Registration No. 04097664 (England and Wales)

**CRIMSON LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2019**



# CRIMSON LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr R Mallaband Mr S M Wassall Mr A G H Ellis Mr M J Garratt
<b>Secretary</b>	Mr S J Chave
<b>Company number</b>	04097664
<b>Registered office</b>	2640 Kings Court The Crescent Birmingham Business Park Birmingham West Midlands B37 7YE
<b>Auditor</b>	Thomas & Young Limited Carleton House 266-268 Stratford Road Shirley Solihull B90 3AD
<b>Bankers</b>	Barclays Bank Plc 15 Colmore Row Birmingham B3 2BY

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# CRIMSON LIMITED

## CONTENTS

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	<b>Page</b>
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 20

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# CRIMSON LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors present the strategic report for the year ended 31 January 2019.

### **Fair review of the business**

During the preceding financial year, the company was acquired by Harvey Nash plc and amended its reporting period to be in line with other group companies. The results shown in these accounts cover a twelve month period whilst the comparatives cover only a ten month period.

The Directors are pleased to report improved performance during the year ended 31 January 2019 in all major areas of the business with both turnover and profit showing increases. The gross profit margin also showed a slight increase compared to the previous period.

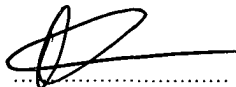
### **Principal risks and uncertainties**

The main principal risk and uncertainty facing the company is the position of the UK economy. The company is well placed to take advantage of opportunities as they arise and also well positioned to react if the position changes.

### **Development and performance**

The company is in the process of targeting new business growth opportunities with both existing and new customers. The future performance of the company is expected to be one of growth and this is monitored and reviewed regularly by the Directors.

On behalf of the board



.....  
Mr R Mallaband  
Director

..... 18/10/2019

# CRIMSON LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors present their annual report and financial statements for the year ended 31 January 2019.

### Principal activities

The principal activity of the company is the provision of information technology consultancy services.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R Mallaband  
Mr S M Wassall  
Mr A G H Ellis  
Mr M J Garratt

### Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

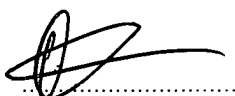
### Auditor

The auditor, Thomas & Young Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr R Mallaband  
Director

Date: 18/10/2019

# **CRIMSON LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JANUARY 2019***

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The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting estimates that are reasonable and prudent;
- 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 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.

# CRIMSON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CRIMSON LIMITED

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### Opinion

We have audited the financial statements of Crimson Limited (the 'company') for the year ended 31 January 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# CRIMSON LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF CRIMSON LIMITED

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you it, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



James Carty ACA FCCA (Senior Statutory Auditor)  
for and on behalf of Thomas & Young Limited

22 October 2019

Chartered Accountants  
Statutory Auditor

Carleton House  
266-268 Stratford Road  
Shirley  
Solihull  
B90 3AD

# CRIMSON LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	Year ended 31 January 2019 £	Period ended 31 January 2018 £
<b>Turnover</b>	<b>3</b>	22,470,449	17,362,708
Cost of sales		(19,491,298)	(15,104,555)
<b>Gross profit</b>		2,979,151	2,258,153
Distribution costs		(544,246)	(361,867)
Administrative expenses		(939,368)	(899,411)
<b>Operating profit</b>	<b>4</b>	1,495,537	996,875
Interest receivable and similar income	<b>7</b>	1,248	79
Interest payable and similar expenses	<b>8</b>	-	(22,692)
<b>Profit before taxation</b>		1,496,785	974,262
Tax on profit	<b>9</b>	(307,168)	(199,064)
<b>Profit for the financial year</b>		1,189,617	775,198

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

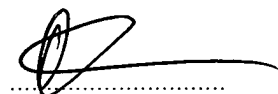
# CRIMSON LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		65,618		102,816
<b>Current assets</b>					
Debtors	13	5,814,971		4,735,779	
Cash at bank and in hand		875,488		705,928	
		<u>6,690,459</u>		<u>5,441,707</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(3,572,333)</u>		<u>(3,543,546)</u>	
<b>Net current assets</b>			<u>3,118,126</u>		<u>1,898,161</u>
<b>Total assets less current liabilities</b>			<u>3,183,744</u>		<u>2,000,977</u>
<b>Provisions for liabilities</b>	16		<u>(11,476)</u>		<u>(18,326)</u>
<b>Net assets</b>			<u><u>3,172,268</u></u>		<u><u>1,982,651</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		76,660		76,660
Share premium account			114,844		114,844
Capital redemption reserve			12,450		12,450
Profit and loss reserves			<u>2,968,314</u>		<u>1,778,697</u>
<b>Total equity</b>			<u><u>3,172,268</u></u>		<u><u>1,982,651</u></u>

The financial statements were approved by the board of directors and authorised for issue on 18/10/19 and are signed on its behalf by:



Mr R Mallaband  
Director

Company Registration No. 04097664

# CRIMSON LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2017</b>		73,019	29,984	12,450	1,135,412	1,250,865
<b>Period ended 31 January 2018:</b>						
Profit and total comprehensive income for the period		-	-	-	775,198	775,198
Issue of share capital	18	3,641	84,860	-	-	88,501
Dividends	10	-	-	-	(131,913)	(131,913)
<b>Balance at 31 January 2018</b>		76,660	114,844	12,450	1,778,697	1,982,651
<b>Period ended 31 January 2019:</b>						
Profit and total comprehensive income for the period		-	-	-	1,189,617	1,189,617
<b>Balance at 31 January 2019</b>		76,660	114,844	12,450	2,968,314	3,172,268

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

#### Company information

Crimson Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2640 Kings Court, The Crescent, Birmingham Business Park, Birmingham, West Midlands, B37 7YE.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Harvey Nash Group plc. These consolidated financial statements are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20 % straight line
Fixtures, fittings & equipment	33 1/3 % straight line
Computer equipment	33 1/3 % straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash at bank and in hand 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.

#### 1.7 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 the contractual provisions of the instrument.

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 assets**

Basic financial assets, 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end 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 asset's original effective interest rate. The impairment loss is recognised in 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 derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset 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 rate method.

Trade creditors are obligations to pay for goods or 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.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1 Accounting policies

(Continued)

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.

##### ***Derecognition of financial liabilities***

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

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred taxation is provided at appropriate rates on all timing differences using the liability method.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Leases

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.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 1 Accounting policies (Continued)

#### 1.12 Invoice Discounting

The company operates an invoice discounting system whereby the debts are owned by the company. The balance due to or due from the factoring company is included in either trade debtors or trade creditors.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Provision of information technology consultancy services	22,470,449	17,362,708
	<u>22,470,449</u>	<u>17,362,708</u>
	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	1,248	79
	<u>1,248</u>	<u>79</u>
	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	22,470,449	17,362,708
	<u>22,470,449</u>	<u>17,362,708</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	8,400	7,000
Depreciation of owned tangible fixed assets	54,275	47,423
Depreciation of tangible fixed assets held under finance leases	-	15,259
Operating lease charges	143,697	139,857
	<u>206,372</u>	<u>209,549</u>

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Direct	50	60
Administration	12	12
	<u>62</u>	<u>72</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	3,302,061	2,888,024
Social security costs	368,617	316,134
	<u>3,670,678</u>	<u>3,204,276</u>

### 6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	<u>51,756</u>	<u>68,819</u>

### 7 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	<u>1,248</u>	<u>79</u>

### 8 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	<u>-</u>	<u>22,692</u>

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 9 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	314,041	210,342
Adjustments in respect of prior periods	(23)	-
Total current tax	<u>314,018</u>	<u>210,342</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(6,850)</u>	<u>(11,278)</u>
Total tax charge	<u>307,168</u>	<u>199,064</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>1,496,785</u>	<u>974,262</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	284,389	185,110
Tax effect of expenses that are not deductible in determining taxable profit	22,802	15,435
Adjustments in respect of prior years	(23)	-
Deferred tax adjustments in respect of prior years	(6,850)	(11,278)
Depreciation in excess of permanent capital allowances	6,850	9,797
Taxation charge for the period	<u>307,168</u>	<u>199,064</u>

### 10 Dividends

	2019 £	2018 £
Interim paid	<u>-</u>	<u>131,913</u>

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 11 Intangible fixed assets

	Development Costs £
<b>Cost</b>	
At 1 February 2018 and 31 January 2019	26,855
<b>Amortisation and impairment</b>	
At 1 February 2018 and 31 January 2019	26,855
<b>Carrying amount</b>	
At 31 January 2019	-
At 31 January 2018	-

#### 12 Tangible fixed assets

	Leasehold improve-ments £	Fixtures, fittings & equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 February 2018	154,648	18,378	224,734	397,760
Additions	6,236	381	10,460	17,077
At 31 January 2019	160,884	18,759	235,194	414,837
<b>Depreciation and impairment</b>				
At 1 February 2018	77,324	13,442	204,178	294,944
Depreciation charged in the year	31,273	2,773	20,229	54,275
At 31 January 2019	108,597	16,215	224,407	349,219
<b>Carrying amount</b>				
At 31 January 2019	52,287	2,544	10,787	65,618
At 31 January 2018	77,324	4,936	20,556	102,816

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £	2018 £
Computer equipment	-	5,700

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 13 Debtors

	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	4,537,250	4,390,975
Amounts owed by group undertakings	711,327	155,969
Other debtors	441,289	84,528
Prepayments and accrued income	125,105	104,307
	<u>5,814,971</u>	<u>4,735,779</u>

### 14 Creditors: amounts falling due within one year

	Notes	2019	2018
		£	£
Obligations under finance leases	15	-	3,832
Trade creditors		1,459,137	1,412,409
Corporation tax		314,041	118,365
Other taxation and social security		496,884	483,006
Other creditors		772,467	1,016,408
Accruals and deferred income		529,804	509,526
		<u>3,572,333</u>	<u>3,543,546</u>

### 15 Finance lease obligations

	2019	2018
Future minimum lease payments due under finance leases:	£	£
Within one year	-	3,832
	<u>-</u>	<u>3,832</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 16 Provisions for liabilities

	Notes	2019	2018
		£	£
Deferred tax liabilities	17	11,476	18,326
		<u>11,476</u>	<u>18,326</u>

# CRIMSON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
Accelerated capital allowances	11,476	18,326
	<u>11,476</u>	<u>18,326</u>
<b>Movements in the year:</b>		<b>2019 £</b>
Liability at 1 February 2018		18,326
Credit to profit or loss		(6,850)
		<u>11,476</u>
Liability at 31 January 2019		<u>11,476</u>

#### 18 Share capital

	2019 £	2018 £
<b>Ordinary share capital Issued and fully paid</b>		
766,600 Ordinary shares of 10p each	76,660	76,660
	<u>76,660</u>	<u>76,660</u>

#### 19 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	1,162	1,509
Between two and five years	203,516	332,217
	<u>204,678</u>	<u>333,726</u>

#### 20 Directors' transactions

Dividends totalling £0 (2018 - £112,500) were paid in the year in respect of shares held by the company's directors.

# **CRIMSON LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 JANUARY 2019***

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### **21 Ultimate controlling party**

The parent company of Crimson Limited is Harvey Nash plc and its registered office is 110 Bishopsgate, London, United Kingdom, EC2N 4AY.

The ultimate controlling party of Crimson Limited is Harvey Hash Group plc. Copies of the group financial statements can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.