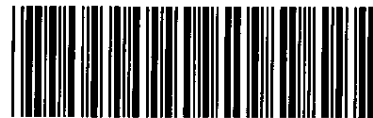


**Group Strategic Report,  
Report of the Directors and  
Audited  
Consolidated Financial Statements  
for the Year Ended 31 December 2021  
for  
MCGREGOR BOYALL ASSOCIATES LIMITED**

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for the Year Ended 31 December 2021**

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**MCGREGOR BOYALL ASSOCIATES LIMITED**

**Company Information  
for the Year Ended 31 December 2021**

**DIRECTORS:**

L F F Boyall  
J V Pitt  
A H Williams

**SECRETARY:**

J V Pitt

**REGISTERED OFFICE:**

2 Church Street  
Brighton  
East Sussex  
BN1 1UJ

**REGISTERED NUMBER:**

02095237 (England and Wales)

**AUDITORS:**

Chambers & Co Accountants LLP  
Statutory Auditor  
2 Church Street  
Brighton  
East Sussex  
BN1 1UJ

**Group Strategic Report  
for the Year Ended 31 December 2021**

**PRINCIPAL ACTIVITIES**

The principal activity of the Group during the year remained that of staff recruitment services.

The Group comprises McGregor Boyall Associates Limited, Creative Recruitment Limited (an 80% owned subsidiary), McGregor Boyall Associates Pte Limited, a Singapore subsidiary. It also owns 100% of Dukebridge Partners Ltd, a Technology Governance & Assurance consultancy as well as 100% of Fincentria Limited, a Risk & Compliance consultancy. The Group operates in the United Kingdom as well as the Middle East and the Asia Pacific regions and benefits from a small but increasing level of activity in Europe. With its head office in London, the Group has offices in Manchester (UK), Edinburgh, Glasgow, Warsaw and Dubai. It also has operations in Singapore and Hong Kong that are becoming less significant.

The Group's principal areas of staffing activity are Information Technology, Change & Transformation, Finance & Audit, Risk & Compliance, Marketing, Human Resource and Creative Design. The Group's client base principally comprises financial services organisations but also includes organisations, both small and large, outside the financial services sector.

**REVIEW OF BUSINESS**

In 2021 the Group's business performance was positively impacted by a general post-Covid recovery in most of its operating regions.

**Group Strategic Report  
for the Year Ended 31 December 2021**

**PRINCIPAL RISKS AND UNCERTAINTIES**

**External**

**IR35 Legislation**

The effects of changes in UK legislation (IR35) regarding the tax status of personal service companies. The legislation in respect of the private sector finally came into effect in April 2021 after having been postponed in 2020 under Coronavirus powers. However, much of the negative effect on contracting engagements was registered in 2020 because large financial services organisations implemented IR35 compliant recruitment processes despite the postponement. This had an associated negative impact on the firm's financial performance that was significant. However, the firm was able to mitigate much of the negative effect of the legislation by refocussing its efforts towards permanent recruitment for its clients.

**EU Exit**

The UK officially left the EU on 31st Jan 2020. The sustained economic depressive effect of an imminent Brexit in 2019 continued and was sustained for the length of 2020. However, the generalised recovery in 2021 substantially offset the effects of Brexit on the labour market (particular in the area of technology skills shortages).

**Coronavirus Pandemic**

The most severely negative external factor on the firm's financial performance in 2020 was unquestionably constituted by the emergence of the Coronavirus pandemic in early 2020 and the consequent soft and hard lockdowns (starting in March 2020). These had an immediate and severe effect on clients' recruitment activities, both permanent and temporary across all regions. This reduction in recruitment activity had an immediate and acutely negative effect on the firm's business performance. The firm took appropriate rightsizing measures, including use of the "furlough" schemes in the UK and Singapore. Whilst these measures had a remedial effect, they were not able to totally mitigate the negatives effects of Covid-19 on the firm's financial performance. In 2021, along with many comparable organisations, the firm experienced a dramatic upturn in trading conditions due largely to an acute shortage of skilled candidates to fill an increasing number of vacancies being posted by recovering clients. Despite the continued presence of Covid in the UK, this trend has continued and is only threatened by other external events such as energy shortages and military conflicts that may lead to a general economic downturn.

**Internal**

Internal risks were overshadowed by external risks over the period in question. The principal internal risk appeared initially to comprise the potential loss of key staff as a consequence of the sustained downturn in recruitment activity due to Covid-19 lockdowns and restrictions. The downturn in compensation combined with the potentially negative effects of remote working to cause employees to re-examine career options. Thankfully, thanks to focused internal communications and the efforts of the firm's human resource function, it was able to retain virtually all staff despite the potential attractions of non-recruitment career opportunities. This risk was particularly acute, but avoided, in respect of furloughed staff. However, it should be acknowledged that the firm has suffered to a certain degree from the difficulty in identifying and hiring staff in response to the sharp recovery experience in the course of 2021.

Liquidity and credit risk management occupied a particularly important during 2020 due to the general economic effects of the pandemic. The Group continued to employ invoice discounting in the UK to ensure healthy liquidity. From a credit risk perspective, the Group's client base comprises highly credit-worthy, financial services blue chip organisations that were less impacted by the pandemic than many firms in other sectors. Additionally, the Group ensures that the diversity of its client base continues to minimise exposure to high levels of portfolio concentration.

This policy of financial diligence and prudence was of particular value in the face of the extreme effect of Covid on the recruitment market in 2020. Specifically, the firm's strong balance sheet meant that it neither needed nor arranged any loan facilities made available by the government in order to alleviate the severe economic effects of the pandemic.

In 2021, a ruthless focus on cash preservation has perhaps paid a less critical role in business operations. This notwithstanding, the directors continue to hold the conviction that a healthy balance sheet will continue to be essential during and after the current recovery period that characterises 2022.

**Group Strategic Report  
for the Year Ended 31 December 2021**

**KEY PERFORMANCE INDICATORS**

The result for the year and the financial position of the Group are shown in the annexed financial statements. The key performance indicators (KPIs) used by the firm in its management reporting to measure absolute and relative business performance are Net Fee Income (NFI) and Profit/Loss before taxation. These were:

	2021	2020
Net fee income	£9,382,477	£7,788,623
Profit/(Loss) before tax	£288,023	£(579,590)

The annual net fee income per fee earner offers a further useful indication of corporate performance:

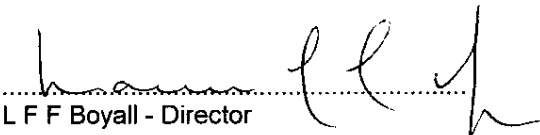
Average No of Fee Earners	59.98	70.69
Average NFI per Fee Earner	£156,427	£110,180

**FUTURE DEVELOPMENTS**

The directors judge that it is appropriate to comment briefly on the Group's performance to date in 2022. This period can best be described as one that has continued to be characterised by rapid and significant recovery. Overall, operating profits are exceeding those for the comparable period in 2021. The only note of hesitation to be sounded is one which is associated with a widespread fear of UK and global recession in response to geopolitical events (including consequent high energy costs). At the time of writing, no sign of an actual downturn has been registered. Vacancies numbers remain high whilst numbers of high-quality candidates remains low. In this respect, the evident recovery in recruitment markets is being sustained. This apparent contradiction (low growth but high employment) is perplexing economists, making planning a vexed issue. The view of the directors is that the firm should view risks as currently being neutral but be prepared for them to turn downwards.

Overall, the directors continue to be feel confident that the firm's fully replenished balance sheet and retained human assets are positioning it positively for trading for the rest of 2022.

**ON BEHALF OF THE BOARD:**

  
L F F Boyall - Director

Date: 27/09/2022

**Report of the Directors  
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

**DIVIDENDS**

No dividend was paid during the year. (2020: £65,963.67 paid to holders of conditional preference shares).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

L F F Boyall  
J V Pitt  
A H Williams

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 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 company and the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

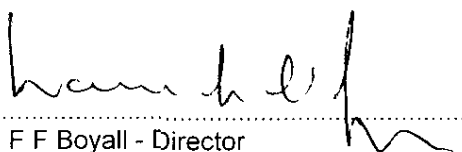
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Chambers & Co Accountants LLP, are deemed to be reappointed under section 487 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

  
L F F Boyall - Director

Date: 27/09/2022

## **Report of the Independent Auditors to the Members of McGregor Boyall Associates Limited**

### **Opinion**

We have audited the financial statements of McGregor Boyall Associates Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Comprehensive Income Statement, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 Financial Reporting Standard 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 group's and of the parent company affairs as at 31 December 2021 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **Report of the Independent Auditors to the Members of McGregor Boyall Associates Limited**

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page five, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the group and the sectors within the recruitment industry in which it operates, and considered the risk of acts by the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, employment law, company law and tax legislation. Our tests included reviews of accounting estimates, testing to detect unusual accounting transactions, agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

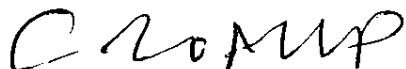
There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including reviewing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
McGregor Boyall Associates Limited**

**Use of our report**

This report is made solely to the company's members, as a body, 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 members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter R S Chambers (Senior Statutory Auditor)  
for and on behalf of Chambers & Co Accountants LLP  
Statutory Auditor  
2 Church Street  
Brighton  
East Sussex  
BN1 1UJ

Date: 27/09/2022

**MCGREGOR BOYALL ASSOCIATES LIMITED (REGISTERED NUMBER: 02095237)**

**Consolidated Income Statement  
for the Year Ended 31 December 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>	3	37,091,919	34,283,951
Cost of sales		34,298,870	32,409,957
<b>GROSS PROFIT</b>		2,793,049	1,873,994
Administrative expenses		2,550,891	2,906,031
		242,158	(1,032,037)
Other operating income	4	41,955	445,586
<b>OPERATING PROFIT/(LOSS)</b>	7	284,113	(586,451)
Interest receivable and similar income		5,204	9,837
		289,317	(576,614)
Interest payable and similar expenses	8	1,294	2,976
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		288,023	(579,590)
Tax on profit/(loss)	9	253,033	(93,227)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		34,990	(486,363)
Profit/(loss) attributable to:			
Owners of the parent		10,021	(497,061)
Non-controlling interests		24,969	10,698
		34,990	(486,363)

The notes form part of these financial statements

**Consolidated Comprehensive Income Statement  
for the Year Ended 31 December 2021**

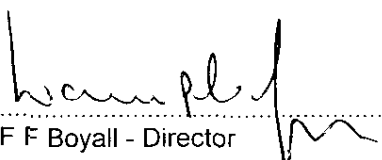
	Notes	2021 £	2020 £
<b>PROFIT/(LOSS) FOR THE YEAR</b>		34,990	(486,363)
<b>OTHER COMPREHENSIVE INCOME</b>			
Foreign exchange on reserves b/fwd		8,815	(461)
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		8,815	(461)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		43,805	(486,824)
Total comprehensive income attributable to:			
Owners of the parent		18,836	(497,522)
Non-controlling interests		24,969	10,698
		43,805	(486,824)

**MCGREGOR BOYALL ASSOCIATES LIMITED (REGISTERED NUMBER: 02095237)**

**Consolidated Balance Sheet**  
**31 December 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	12	76,360	55,078
Investments	13	-	-
		<u>76,360</u>	<u>55,078</u>
<b>CURRENT ASSETS</b>			
Debtors	14	5,607,767	3,960,068
Cash at bank and in hand		5,288,148	5,014,097
		<u>10,895,915</u>	<u>8,974,165</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	5,653,426	3,754,199
<b>NET CURRENT ASSETS</b>		<u>5,242,489</u>	<u>5,219,966</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,318,849</u>	<u>5,275,044</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	8,550	8,550
<b>NET ASSETS</b>		<u>5,310,299</u>	<u>5,266,494</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	69,770	69,770
Share premium		20,650	20,650
Share-based payment reserve		39,813	30,854
Retained earnings		4,394,982	4,385,105
<b>SHAREHOLDERS' FUNDS</b>		<u>4,525,215</u>	<u>4,506,379</u>
<b>NON-CONTROLLING INTERESTS</b>	21	<u>785,084</u>	<u>760,115</u>
<b>TOTAL EQUITY</b>		<u>5,310,299</u>	<u>5,266,494</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27/09/2022 and were signed on its behalf by:

  
L F F Boyall - Director

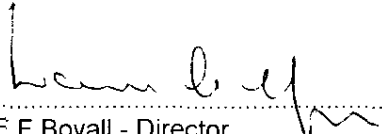
The notes form part of these financial statements

**MCGREGOR BOYALL ASSOCIATES LIMITED (REGISTERED NUMBER: 02095237)**

**Company Balance Sheet**  
**31 December 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	12	69,646	46,349
Investments	13	81,057	135,840
		<u>150,703</u>	<u>182,189</u>
<b>CURRENT ASSETS</b>			
Debtors	14	5,533,281	3,907,022
Cash at bank and in hand		997,868	874,916
		<u>6,531,149</u>	<u>4,781,938</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	5,073,983	3,492,680
<b>NET CURRENT ASSETS</b>		<u>1,457,166</u>	<u>1,289,258</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,607,869</u>	<u>1,471,447</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(8,550)	(8,550)
<b>PROVISIONS FOR LIABILITIES</b>	19	(9,654)	(4,442)
<b>NET ASSETS</b>		<u>1,589,665</u>	<u>1,458,455</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	69,770	69,770
Share premium		20,650	20,650
Share-based payment reserve		39,813	30,854
Retained earnings		1,459,432	1,337,181
<b>SHAREHOLDERS' FUNDS</b>		<u>1,589,665</u>	<u>1,458,455</u>
Company's profit/(loss) for the financial year		<u>131,210</u>	<u>(946,879)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27/09/2022 and were signed on its behalf by:

  
L F F Boyall - Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 January 2020</b>	69,770	4,957,575	20,650
<b>Changes in equity</b>			
Dividends	-	(65,964)	-
Total comprehensive income	-	(506,506)	-
<b>Balance at 31 December 2020</b>	69,770	4,385,105	20,650
<b>Changes in equity</b>			
Total comprehensive income	-	9,877	-
<b>Balance at 31 December 2021</b>	69,770	4,394,982	20,650

	Share-based payment reserve £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 January 2020</b>	21,870	5,069,865	749,417	5,819,282
<b>Changes in equity</b>				
Dividends	-	(65,964)	-	(65,964)
Total comprehensive income	8,984	(497,522)	10,698	(486,824)
<b>Balance at 31 December 2020</b>	30,854	4,506,379	760,115	5,266,494
<b>Changes in equity</b>				
Total comprehensive income	8,959	18,836	24,969	43,805
<b>Balance at 31 December 2021</b>	39,813	4,525,215	785,084	5,310,299

The notes form part of these financial statements

**MCGREGOR BOYALL ASSOCIATES LIMITED (REGISTERED NUMBER: 02095237)****Company Statement of Changes in Equity  
for the Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Share premium £	Share-based payment reserve £	Total equity £
<b>Balance at 1 January 2020</b>	69,770	2,359,008	20,650	21,870	2,471,298
<b>Changes in equity</b>					
Dividends	-	(65,964)	-	-	(65,964)
Total comprehensive income	-	(955,863)	-	8,984	(946,879)
<b>Balance at 31 December 2020</b>	<u>69,770</u>	<u>1,337,181</u>	<u>20,650</u>	<u>30,854</u>	<u>1,458,455</u>
<b>Changes in equity</b>					
Total comprehensive income	-	122,251	-	8,959	131,210
<b>Balance at 31 December 2021</b>	<u>69,770</u>	<u>1,459,432</u>	<u>20,650</u>	<u>39,813</u>	<u>1,589,665</u>

The notes form part of these financial statements



**Consolidated Cash Flow Statement  
for the Year Ended 31 December 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(406,588)	1,971,841
Interest paid		(1,294)	(2,976)
Tax paid		(52,249)	(186,201)
Net cash from operating activities		<u>(460,131)</u>	<u>1,782,664</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(40,678)	(14,775)
Sale of tangible fixed assets		699	(1)
Interest received		5,204	9,837
Net cash from investing activities		<u>(34,775)</u>	<u>(4,939)</u>
<b>Cash flows from financing activities</b>			
Increase in amount due to financing co.		758,600	(1,428,038)
Equity dividends paid		-	(65,964)
Net cash from financing activities		<u>758,600</u>	<u>(1,494,002)</u>
<b>Increase in cash and cash equivalents</b>		<u>263,694</u>	<u>283,723</u>
<b>Cash and cash equivalents at beginning of year</b>	2	5,014,097	4,729,543
Effect of foreign exchange rate changes		10,357	831
<b>Cash and cash equivalents at end of year</b>	2	<u><u>5,288,148</u></u>	<u><u>5,014,097</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2021**

**1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021 £	2020 £
Profit/(loss) before taxation	288,023	(579,590)
Depreciation charges	17,021	24,460
Loss on disposal of fixed assets	1,671	41,022
Finance costs	1,294	2,976
Finance income	(5,204)	(9,837)
	<u>302,805</u>	<u>(520,969)</u>
(Increase)/decrease in trade and other debtors	(1,822,230)	3,932,396
Increase/(decrease) in trade and other creditors	<u>1,112,837</u>	<u>(1,439,586)</u>
<b>Cash generated from operations</b>	<u>(406,588)</u>	<u>1,971,841</u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2021**

	31.12.21 £	1.1.21 £
Cash and cash equivalents	<u>5,288,148</u>	<u>5,014,097</u>

**Year ended 31 December 2020**

	31.12.20 £	1.1.20 £
Cash and cash equivalents	<u>5,014,097</u>	<u>4,729,543</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.21 £	Cash flow £	At 31.12.21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>5,014,097</u>	<u>274,051</u>	<u>5,288,148</u>
	<u>5,014,097</u>	<u>274,051</u>	<u>5,288,148</u>
<b>Debt</b>			
Debts falling due after 1 year	<u>(8,550)</u>	<u>-</u>	<u>(8,550)</u>
	<u>(8,550)</u>	<u>-</u>	<u>(8,550)</u>
<b>Total</b>	<u>5,005,547</u>	<u>274,051</u>	<u>5,279,598</u>

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2021**

**1. STATUTORY INFORMATION**

McGregor Boyall Associates 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 General Information page.

**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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the exemption from preparing a statement of cashflows, on the basis that it is a qualifying entity and the consolidated statement of cashflows, included in these financial statements, includes the Company's cashflows.

**Basis of consolidation**

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 December.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

**Critical accounting judgements and key sources of estimation uncertainty**

Amounts owed by group companies

The directors regularly assess balances due from other companies with the group whether these balances are recoverable. Where it is considered that the future cashflows of these debts are less than the carrying amount, appropriate provisions are made against these balances to reflect the recoverable value of the assets.

Sales debtors

The directors review individual debtor balances and where it is considered that the balance is not recoverable appropriate provisions are made.

**Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable in respect of services supplied, excluding discounts, rebates, value added tax and other sales taxes.

Revenues earned from temporary services (either gross chargeable value or the company's margin only) are recognised in the accounting period in which the services are provided.

Revenues earned from permanent placements are recognised on the date each candidate commences their new employment.

**Tangible fixed assets**

Tangible assets are stated at cost less accumulated depreciation. Depreciation on tangible assets is calculated to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Fixtures, fittings & equipment	- 25% on reducing balance
--------------------------------	---------------------------

**Government grants**

Revenue grants are credited to the profit and loss account so as to match them with the expenditure to which they relate.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

**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**

Functional and presentation currency

The Group financial statements are presented in pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in "Other comprehensive income" and allocated to non-controlling interest as appropriate.

**Operating leases**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Incentives received to enter into operating leases are credited to the profit and loss account, also on a straight-line basis over the period of the lease, reducing the lease expense.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

The Group contributes to a number of defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. The assets of the plan are held separately from the Group in independently administered funds.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

**Financial instruments**

Financial assets and financial liabilities are recognised on the balance sheet when the entity becomes party to the contractual provisions of the financial instrument.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Basic financial assets, including trade debtors, loans to fellow group companies, cash and bank balances are recognised at transaction price. There are no arrangements in respect of these assets which are considered to constitute a financing arrangement.

Basic financial liabilities, including trade and other payables, loans from fellow group companies and loans under its invoice discounting agreements are recognised at transaction price. There are no arrangements in respect of these liabilities which are considered to constitute a financing arrangement.

Basic financial assets and liabilities are measured subsequently at amortised cost less impairment.

**Share-based compensation**

McGregor Boyall Associates Limited operates a share option scheme. Under the scheme the fair value of employee services received in exchange for the grant of the options is recognised as an expense in the income statement of the Group with a corresponding adjustment to the share-based payment reserve. The total amount to be expenses over the vesting period is determined by the fair value of the options granted. At each balance sheet date, the estimate of the number of options that are expected to become exercisable is revised. The impact of any revision to original estimates being recognised by the Group by adjustments to both the income statement and the share-based payment reserve over the remaining vesting period.

3. TURNOVER

The group's turnover is generated from the rendering of services.

4. OTHER OPERATING INCOME

	2021	2020
	£	£
Sundry receipts	136	11,875
Government grants	41,819	433,711
	<u>41,955</u>	<u>445,586</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021**

**5. EMPLOYEES AND DIRECTORS**

	2021 £	2020 £
Wages and salaries	9,622,273	7,342,108
Social security costs	1,064,154	753,132
Other pension costs	233,369	214,953
	<u>10,919,796</u>	<u>8,310,193</u>

The average number of employees during the year was as follows:

	2021	2020
Directors	5	5
Sales and administration	65	97
Temporary staff	25	18
	<u>95</u>	<u>120</u>

**EMPLOYEES AND DIRECTORS - COMPANY**

	2021 £	2020 £
Wages and salaries	8,571,612	6,169,293
Social security costs	985,364	662,807
Other pension costs	367,318	332,550
	<u>9,924,294</u>	<u>7,164,650</u>

**6. DIRECTORS' EMOLUMENTS**

	2021 £	2020 £
Directors' remuneration	402,188	385,717
Directors' pension contributions to money purchase schemes	<u>17,213</u>	<u>17,213</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	167,850	181,617
Pension contributions to money purchase schemes	<u>12,213</u>	<u>12,213</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021

7. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging:

	2021	2020
	£	£
Other operating leases	3,300	3,300
Depreciation - owned assets	17,021	24,461
Loss on disposal of fixed assets	1,671	41,022
Auditors' remuneration	24,850	24,850
Auditors' remuneration for non audit work	10,970	11,030
Foreign exchange differences	25,439	83,971
	<u>25,439</u>	<u>83,971</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	-	2
Interest on overdue tax	1,294	2,974
	<u>1,294</u>	<u>2,976</u>

9. TAXATION

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	107,059	(14,101)
Deferred tax:		
Deferred tax on advanced capital allowances	5,094	(7,626)
Deferred tax on losses carried forwards	140,880	(71,500)
Total deferred tax	145,974	(79,126)
Tax on profit/(loss)	<u>253,033</u>	<u>(93,227)</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021

9. TAXATION - continued

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit/(loss) before tax	288,023	(579,590)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	54,724	(110,122)
Effects of:		
Expenses not deductible for tax purposes	44,560	8,726
Losses subject to overseas tax rates and not UK rates.	4,531	5,200
Consolidation adjustments not subject to tax	164,377	61
Foreign exchange movement on reserves not subject to tax	(12,824)	2,908
Super-deduction capital allowances on fixed asset purchases	(2,335)	-
Total tax charge/(credit)	253,033	(93,227)

**Tax effects relating to effects of other comprehensive income**

	2021 Gross £	Tax £	Net £
Foreign exchange on reserves b/fwd	8,815	-	8,815
	2020 Gross £	Tax £	Net £
Foreign exchange on reserves b/fwd	(461)	-	(461)

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

11. DIVIDENDS

	2021 £	2020 £
shares of each Interim	-	65,964



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021

## 12. TANGIBLE FIXED ASSETS

**Group**Fixtures,  
fittings  
and  
equipment  
£**COST**

At 1 January 2021	282,940
Additions	40,678
Disposals	(12,476)
Exchange differences	(950)
	<hr/>
At 31 December 2021	310,192

**DEPRECIATION**

At 1 January 2021	227,862
Charge for year	17,021
Eliminated on disposal	(10,106)
Exchange differences	(945)
	<hr/>
At 31 December 2021	233,832

**NET BOOK VALUE**

At 31 December 2021	76,360
	<hr/>
At 31 December 2020	55,078
	<hr/>

**Company**Fixtures,  
fittings  
and  
equipment  
£**COST**

At 1 January 2021	160,146
Additions	39,934
Disposals	(11,777)
	<hr/>
At 31 December 2021	188,303

**DEPRECIATION**

At 1 January 2021	113,797
Charge for year	14,966
Eliminated on disposal	(10,106)
	<hr/>
At 31 December 2021	118,657

**NET BOOK VALUE**

At 31 December 2021	69,646
	<hr/>
At 31 December 2020	46,349
	<hr/>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021

13. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
<b>COST</b>	
At 1 January 2021	135,840
Additions	1
Impairments	(54,784)
	<hr/>
At 31 December 2021	81,057
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2021	81,057
	<hr/>
At 31 December 2020	135,840
	<hr/>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021**

**13. FIXED ASSET INVESTMENTS - continued**

Investments brought forward and held by the company relating to subsidiary undertakings are stated at cost less impairment.

Details of the subsidiary undertakings are shown below:

<b>Name of undertaking</b>	<b>Country of incorporation</b>	<b>Description of shares held</b>	<b>Proportion of nominal value of issued shares held by company</b>
Creative Recruitment Limited, 2 Church Street, Brighton, BN1 1UJ.	England & Wales	Ordinary £1 shares	80%
McGregor Boyall Contracts Limited, 2 Church Street, Brighton, BN1 1UJ.	England & Wales	Ordinary £1 shares	100%
Creative Temps Limited, 2 Church Street, Brighton, BN1 1UJ.	England & Wales	Ordinary £1 shares	80%
McGregor Boyall Associates PTE Limited, 140 Robinson Road #01-01, Crown at Robinson, Singapore 068907.	Singapore	SG\$ 1 shares	100%
McGregor Boyall Associates (HK) Limited, 31/F, 148 Electric Road, North Point, Hong Kong.	Hong Kong	Ordinary HK\$ 1 shares	100%
Dukebridge Partners Limited, 2 Church Street, Brighton, BN1 1UJ.	England & Wales	Ordinary £0.01 shares	100%
McGregor Boyall Poland Limited, Aleja Solidarnosci 117/207, 00-140 Warsaw, Poland.	Poland	Ordinary PLN50 shares	100%
Fincentria Limited, 2 Church Street, Brighton, BN1 1UJ.	England & Wales	Ordinary £1 shares	100%

The results of the above companies have been included in the group consolidated accounts.

The principal activity of Creative Recruitment Limited is the provision of permanent, contract & temporary professionals specialising in creative disciplines.

The principal activities of McGregor Boyall Associates PTE Limited and McGregor Boyall Associates (HK) Limited are the provision of information technology professionals to the financial sector.

The principal activities of Dukebridge Partners Limited and Fincentria Limited are the provision of consulting services specialising in governance and assurance.

The principal activity of McGregor Boyall Poland Limited is the provision of consulting services in the financial sector.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021**

**13. FIXED ASSET INVESTMENTS - continued**

Dukebridge Partners Limited (Company Number: 05386897) and Fincentria Limited (Company Number: 135/6/59) and are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act.

McGregor Boyall Contracts Limited and Creative Temps Limited are dormant companies.

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	3,957,669	2,691,341	3,079,066	2,021,206
Amounts owed by group undertakings	-	-	1,148,258	866,324
Other debtors	27,064	27,479	-	-
Tax	-	27,020	-	27,020
Deferred tax asset	29,559	177,070	-	-
Prepayments	1,593,475	1,037,158	1,305,957	992,472
	<u>5,607,767</u>	<u>3,960,068</u>	<u>5,533,281</u>	<u>3,907,022</u>

Deferred tax asset

	<b>Group</b>		<b>Company</b>	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax	<u>29,559</u>	<u>177,070</u>	<u>-</u>	<u>-</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	480,074	253,520	161,813	154,492
Tax	40,710	12,920	11,534	-
Social security and other taxes	531,126	233,880	509,866	217,153
VAT	682,677	643,669	611,941	580,037
Accrued expenses	1,893,794	1,343,765	1,753,784	1,274,553
Amounts due to financing company	2,025,045	1,266,445	2,025,045	1,266,445
	<u>5,653,426</u>	<u>3,754,199</u>	<u>5,073,983</u>	<u>3,492,680</u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2021	2020	2021	2020
	£	£	£	£
Other loans (see note 17)	<u>8,550</u>	<u>8,550</u>	<u>8,550</u>	<u>8,550</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
No description	8,550	8,550	8,550	8,550

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	606,444	616,405
Between one and five years	738,934	700,147
	<u>1,345,378</u>	<u>1,316,552</u>

Company

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	558,315	69,166
Between one and five years	738,934	16,179
	<u>1,297,249</u>	<u>85,345</u>

19. DEFERRED TAX

	Company	
	2021	2020
	£	£
Deferred tax	<u>9,654</u>	<u>4,442</u>
Group		£
Balance at 1 January 2021		(177,070)
Accelerated capital allowances		5,094
Tax losses incurred		(60,918)
Tax losses unrelieved		201,797
Foreign exchange on b/f bals.		<u>1,538</u>
Balance at 31 December 2021		<u>(29,559)</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021**

**19. DEFERRED TAX - continued**

**Company**

	£
Balance at 1 January 2021	4,442
Accelerated capital allowances	5,212
	<hr/>
Balance at 31 December 2021	9,654
	<hr/>

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid.				
Number:	Class:	Nominal value:	2021	2020
			£	£
69,770	Ordinary	£1	69,770	69,770
			<hr/>	<hr/>

The conditional preference shares have a right to dividends restricted to 10% of the parent company's annual net profits after tax. In respect of distributions on winding-up the preference shares rank equally with the ordinary shares.

**21. NON-CONTROLLING INTERESTS**

Minority interests represent the 20% equity minority interest in Creative Recruitment Limited.

**22. CONTINGENT LIABILITIES**

McGregor Boyall Associates Limited has given guarantees under s479c of the Companies Act 2006 in respect to all the outstanding liabilities of its subsidiaries Dukebridge Partners Limited and Fincatria Limited.

**23. RELATED PARTY DISCLOSURES**

During the year, a total of key management personnel compensation of £518,576 (2020 - £468,980) was paid.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2021**

**24. SHARE-BASED PAYMENT TRANSACTIONS**

In 2017 the McGregor Boyall Associates Limited granted options under the McGregor Boyall Associates Share Option Plan to certain employees. The options were granted with a fixed exercise price and are exercisable under certain exit events.

A reconciliation of share option movements over the year to 31 December 2021 is shown below:

	2021		2020	
	Number	Exercise Price	Number	Exercise Price
		£		£
Outstanding at 1 January	1,900	9.08	1,900	9.08
Forfeited	-	-	-	-
Granted	-	-	-	-
Outstanding at 31 December	1,900	9.08	1,900	9.08

The Group is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted in 2017 is being determined using the Black-Scholes model. This model is internationally recognised as being appropriate to value employee share schemes similar to the McGregor Boyall Associates Share Option Plan.

The total debit for the period was £8,959 (2020: £8,984).