

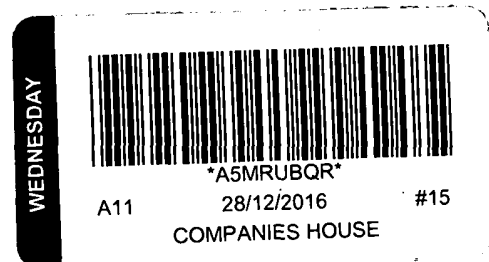
Registration number: 03041461

Employment Law Advisory Services Limited

Annual Report and Financial Statements

for the Year Ended 31 January 2016

Beever and Struthers
Chartered Accountants and Registered Auditors
St Georges House
215-219 Chester Road
Manchester
M15 4JE



Employment Law Advisory Services Limited

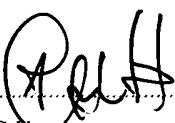
(Registration number: 03041461)

Statement of Financial Position as at 31 January 2016

	Note	31 January 2016 £	31 January 2015 £
Fixed assets			
Tangible assets	6	361,537	299,238
Investments		<u>3,763,449</u>	<u>2,433,874</u>
		<u>4,124,986</u>	<u>2,733,112</u>
Current assets			
Debtors	8	1,561,756	1,655,864
Cash at bank and in hand		<u>279,570</u>	<u>214,811</u>
		1,841,326	1,870,675
Creditors: Amounts falling due within one year	9	<u>(2,917,885)</u>	<u>(2,553,466)</u>
Net current liabilities		<u>(1,076,559)</u>	<u>(682,791)</u>
Total assets less current liabilities		3,048,427	2,050,321
Creditors: Amounts falling due after more than one year	9	(1,148,368)	(1,279,357)
Provisions for liabilities		<u>(12,171)</u>	<u>(5,865)</u>
Net assets		<u>1,887,888</u>	<u>765,099</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		<u>1,887,886</u>	<u>765,097</u>
Total equity		<u>1,887,888</u>	<u>765,099</u>

- the directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts;
- these accounts have been delivered in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006, and in accordance with the provisions of FRS102 section 1A;
- as permitted by s444(5A) of the Companies Act 2006, the directors have not delivered to the Registrar a copy of the company's profit and loss account.

Approved and authorised by the Board on 16 December 2016 and signed on its behalf by:



 A G Hewitt
 Director

The notes on pages 8 to 20 form an integral part of these financial statements.

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office, which is also the principle place of business, is:

Charles House
Albert Street
Eccles
Manchester
M30 0PW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

These are the first financial statements prepared under Financial Reporting Standard 102 section 1a. The company transitioned to this reporting standard on 1 February 2014. The company has chosen to early adopt this standard.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Group accounts not prepared

The company is part of a small group. The company has taken advantage of the exemption provided by Section 398 of the Companies Act 2006 and has not prepared group accounts.

Going concern

The financial statements have been prepared on a going concern basis. The directors are satisfied that with the ongoing support of the bank and key creditors the company will continue to meet its liabilities as they fall due.

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

2 Accounting policies (continued)

Prior period adjustment

Revenue was previously recognised on a cash received basis. At the year-end an exercise was carried out to put a value on deferred income resulting from cash received in advance of delivery of the service. The results were of a sufficient level to indicate a Prior Period Adjustment as a result of change of accounting policy.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £
Turnover	(93,086)	9,396
Accruals	<u>301,205</u>	<u>394,291</u>

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

2 Accounting policies (continued)

Judgements

The critical areas of judgement applied by the directors related to the following areas:-

Determination of whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration include the economic viability and expected future financial performance of the asset.

Determination of whether there are indicators of impairment of the company's investments in subsidiaries. Factors taken into consideration include the economic viability and expected future performance of the subsidiary companies.

Determination of whether leases entered into by the company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determination of the recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the directors the debt is not considered to be fully recoverable.

Key sources of estimation uncertainty

The key sources of estimation uncertainty identified are as follows:-

Tangible and intangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying amount of such assets is £361,537 (2015 - £299,238).

Recovery of trade debtors. A specific provision is made against certain debts where in the opinion of the directors the debt is not considered to be fully recoverable. The provision reflected at the balance sheet date is £161,198 (2015 - £75,000).

Revenue recognition

Revenue represents services delivered, net of value added tax.

Revenue is received in either annual or monthly instalments, but is recognised on a straight line basis over the course of the contract. This represents a change of accounting policy, previously revenue was recognised as cash received. The impact of this change is set out above.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

2 Accounting policies (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Motor vehicles	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the company in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	33% straight line

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

2 Accounting policies (continued)

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recorded in other income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

2 Accounting policies (continued)

Provisions

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

A provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months is recognised. The provision is measured at the salary cost payable for the period of absence.

Leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	Year ended 31 January 2016 No.	31 January 2014 to 31 January 2015 No.
Sales, marketing and distribution	<u>122</u>	<u>107</u>

4 Profit before tax

Arrived at after charging/(crediting)

	Year ended 31 January 2016 £	31 January 2014 to 31 January 2015 £
Depreciation expense	<u>86,893</u>	<u>86,519</u>

5 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 February 2015	<u>462,656</u>	<u>462,656</u>
At 31 January 2016	<u>462,656</u>	<u>462,656</u>
Amortisation		
At 1 February 2015	<u>462,656</u>	<u>462,656</u>
At 31 January 2016	<u>462,656</u>	<u>462,656</u>
Carrying amount		
At 31 January 2016	<u>-</u>	<u>-</u>

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

6 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 February 2015	501,877	279,285	781,162
Additions	49,848	99,344	149,192
At 31 January 2016	551,725	378,629	930,354
Depreciation			
At 1 February 2015	346,517	135,407	481,924
Charge for the period	43,870	43,023	86,893
At 31 January 2016	390,387	178,430	568,817
Carrying amount			
At 31 January 2016	161,338	200,199	361,537
At 31 January 2015	155,360	143,878	299,238

7 Investments in subsidiaries, joint ventures and associates

	31 January 2016 £	31 January 2015 £
Investments in subsidiaries	3,763,449	2,433,874
Subsidiaries		£
Cost or valuation		
At 1 February 2015		2,433,787
Additions		1,329,662
At 31 January 2016		3,763,449
Provision		
Carrying amount		
At 31 January 2016		3,763,449
At 31 January 2015		2,433,874

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

7 Investments in subsidiaries, joint ventures and associates (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
Support, Training & Services Limited	England and Wales	Ordinary	100%	100%
Sound Advice Safety & Health Limited	England and Wales	Ordinary	95%	75%
Simply Safe Worldwide Limited	England and Wales	Ordinary	100%	100%
Sound Advice Health & Safety Limited	England and Wales	Ordinary	100%	100%
Legal Solutions Limited	England and Wales	Ordinary	100%	100%
Safety Compliance Services Limited	England and Wales	Ordinary	100%	100%
Occupational Medicals Enterprises Limited	England and Wales	Ordinary	75%	0%

The principal activity of Support, Training & Services Limited is environmental health consultancy.

The principal activity of Sound Advice Safety & Health Limited is health services.

The principal activity of Simply Safe Worldwide Limited is environmental consultancy.

The principal activity of Sound Advice Health & Safety Limited is dormant.

The principal activity of Legal Solutions Limited is employment law consultancy (this company was dissolved in March 2016).

The principal activity of Safety Compliance Services Limited is dormant.

The principal activity of Occupational Medicals Enterprises Limited is provision of medical services.

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

8 Debtors

	Note	31 January 2016 £	31 January 2015 £
Trade debtors		438,887	443,252
Amounts owed by related parties	13	56,807	158,660
Other debtors		941,979	917,134
Prepayments		<u>124,083</u>	<u>136,818</u>
Total current trade and other debtors		<u>1,561,756</u>	<u>1,655,864</u>

9 Creditors

	Note	31 January 2016 £	31 January 2015 £
Due within one year			
Loans and borrowings	11	1,031,513	972,516
Trade creditors		539,379	235,169
Social security and other taxes		346,683	300,030
Outstanding defined contribution pension costs		19,535	12,402
Other payables		283,519	104,923
Accrued expenses		522,492	832,426
Income tax liability		<u>174,764</u>	<u>96,000</u>
		<u>2,917,885</u>	<u>2,553,466</u>
Due after one year			
Loans and borrowings	11	<u>1,148,368</u>	<u>1,279,357</u>

10 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £18,524 (2015 - £6,201).

Contributions totalling £(19,535) (2015 - £(12,402)) were payable to the scheme at the end of the year and are included in creditors.

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

11 Loans and borrowings

	31 January 2016 £	31 January 2015 £
Non-current loans and borrowings		
Bank borrowings	1,096,323	1,238,884
Finance lease liabilities	52,045	40,473
	<u>1,148,368</u>	<u>1,279,357</u>
	31 January 2016 £	31 January 2015 £
Current loans and borrowings		
Bank borrowings	515,842	350,335
Finance lease liabilities	56,707	34,418
Other borrowings	458,964	587,763
	<u>1,031,513</u>	<u>972,516</u>

Bank borrowings

These relate to two loans, denominated in sterling, carrying interest at 2.75% above bank base rates, and secured on the assets of the company. The loans are repayable by monthly instalments, the final instalments being due on 7 May 2016 and 12 June 2019.

Finance lease liabilities

These are secured against the assets to which they relate.

Directors' loan accounts

The directors have advanced funds to the company, unsecured, interest free and repayable on demand.

12 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	242,887	241,009
Later than one year and not later than five years	884,327	911,214
Later than five years	216,000	432,000
	<u>1,343,214</u>	<u>1,584,223</u>

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

13 Related party transactions

Mr A G Hewitt and Mr I J Martin

(The directors and shareholders of the company)

The directors provide the company with working capital. At the balance sheet date, the amount due to the directors was £458,964 (2015 - £ 587,764). This loan is interest free, unsecured and repayable on demand.

Support, Training & Services Limited

(Wholly owned subsidiary of the company)

The company recharged Support, Training & Services Limited £120,000 ((2015 - £70,000) in respect of management fees. At the year end the trading balance due from Support, Training & Services Limited was £24,000 (2015- £23,518.) The company also pays for various services on behalf of Support, Training & Services Limited, which also pays certain liabilities on behalf of the company. At the balance sheet date the amount due to Support, Training & Services Limited was £29,223 (2015 - £26,811 debtor.)

Sound Advice Safety & Health Limited

(Wholly owned subsidiary of the company)

The company recharged Sound Advice Safety & Health Limited £132,500 (2015 - £70,000) in respect of management fees. At the year end the trading balance due from Sound Advice Safety & Health Limited was £87,000 (2015 - £36,000.) The company also pays for various expenses on behalf of Sound Advice Safety & Health Limited. At the balance sheet date the amount due from Sound Advice Safety & Health Limited was £22,828 (2015 - £5,329 debtor.)

Legal Solutions Limited

(Wholly owned subsidiary of the company)

The company paid for various expenses on behalf of Legal Solutions Limited, the balance of which is not considered recoverable following the dissolution of this company in March 2016. The balance provided for during the year is £153,331.

Employment Law Advisory Services Limited

Notes to the Financial Statements for the Year Ended 31 January 2016 (continued)

13 Related party transactions (continued)

Occupational Medicals Enterprises Limited

(Wholly owned subsidiary of the company)

The company pays for various services on behalf of Occupational Medicals Enterprise Limited, which also pays certain liabilities on behalf of the company. At the balance sheet date the amount due to Occupational Medicals Enterprise Limited was £1,360 (2015 - £nil).

Martin Hewitt Enterprises Properties Limited

(Company under common control)

The company advanced a loan to Martin Hewitt Enterprises Properties Limited. This amount is not payable under one year. At the balance sheet date the amount due from Martin Hewitt Enterprises Properties Limited was £572,843 (2015 - £562,073). This loan is interest free, and is considered repayable on demand.

Martin Hewitt Enterprises Logistics Limited

(Company under common control)

The company advanced a loan to Martin Hewitt Enterprises Logistics Limited. This amount is not payable under one year. The company also paid management charges of £420,000 (2015- £385,000). At the balance sheet date the amount due from Martin Hewitt Enterprises Logistics Limited was £295,390 (2015 - £295,390). This loan is interest free, and is considered repayable on demand.

14 Parent and ultimate parent undertaking

The ultimate controlling party is the directors by virtue of their ownership of 100% of the issued share capital.

15 Non adjusting events after the financial period

On 31 March 2016 the company acquired 100% of the issued share capital of Health and Safety Management Consultants Limited, a company registered in England and Wales whose principle activity is the provision of health surveillance services.

16 Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 February 2014.

No transitional adjustments were required in equity or profit or loss for the year.

17 Auditor's report

'These financial statements have been subject to an audit and Caroline Monk of Beever and Struthers, Chartered Accountants, provided an unmodified opinion on 16 December 2016.'