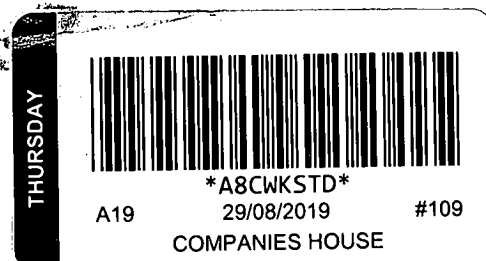


**Company Registration No. 03714048 (England and Wales)**

**LMA RECRUITMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



## **LMA RECRUITMENT LIMITED**

### **CONTENTS**

	<b>Page</b>
Company information	3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 – 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 24

## **LMA RECRUITMENT LIMITED**

### **COMPANY INFORMATION**

**Directors**

S J Wreford  
G Allan  
E M Wylie  
T Anderson  
R N Thompson  
R Clark  
N Joannides  
N Gilham

**Company registration number**

03714048

**Registered office**

Old Church House  
Sandy Lane  
Crawley Down  
Crawley  
West Sussex  
RH10 4HS

**Independent Auditor**

BDO LLP  
Statutory Auditor  
Gatwick  
United Kingdom

# **LMA RECRUITMENT LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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

LMA Recruitment Limited (the "Company") is a private limited company limited by shares and is registered in England and Wales.

#### **Principal activities**

The principal activity of the Company in the year under review was that of a recruitment consultancy. The directors are not anticipating any changes to the Company's activities.

#### **Directors**

The directors who served throughout the year and up to the date of signing these financial statements, except as noted, were as follows:

S J Wreford  
G Allan  
E M Wylie  
J Kreulen (Resigned 2 May 2018)  
R N Thompson  
R Clark  
T Anderson (Appointed 2 May 2018)  
N Joannides (Appointed 1 January 2019)  
N Gilham

#### **Independent auditor and statement of provision of information to the independent auditor**

BDO LLP were appointed during the year and have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

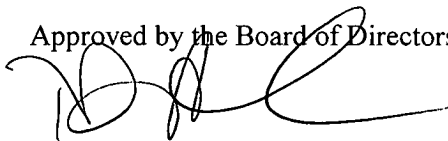
Each of the persons who is a director at the date of approval of this report confirms that:

- 1) so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 2) the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and accordingly no strategic report has been presented.

Approved by the Board of Directors and signed on behalf of the Board:



T Anderson  
**Director**

4 June 2019

## **LMA RECRUITMENT LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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; and
- 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.

## **LMA RECRUITMENT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LMA RECRUITMENT LIMITED**

#### **Opinion**

We have audited the financial statements of LMA Recruitment Limited (the 'Company') for the year ended 31 December 2018 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 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 company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

## **LMA RECRUITMENT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LMA RECRUITMENT LIMITED (continued)**

#### **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 the audit:

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

#### **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 directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

## **LMA RECRUITMENT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS LMA RECRUITMENT LIMITED (continued)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, set out on page 5, 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Anna Draper (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom  
5 June 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# LMA RECRUITMENT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	14,364,615	11,216,325
Cost of sales		(8,854,353)	(7,186,502)
<b>Gross profit</b>		5,510,262	4,029,823
Administrative expenses		(5,290,607)	(3,630,954)
<b>Operating profit</b>		219,655	398,869
Income from investment	<b>6</b>	197,979	-
Interest receivable and similar income	<b>4</b>	627	-
Interest payable and similar expenses	<b>5</b>	(30,199)	(13,877)
<b>Profit on ordinary activities before taxation</b>	<b>6</b>	388,062	384,992
Tax on profit on ordinary activities	<b>7</b>	(112,346)	(78,495)
<b>Profit for the year</b>		275,716	306,497

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations. There has been no other comprehensive income in either the current or prior years.

The notes on pages 12 to 24 form part of these financial statements.

# LMA RECRUITMENT LIMITED

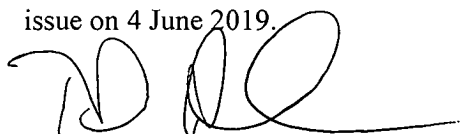
## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	10		300,080		-
Tangible assets	11		109,213		60,194
Investments	12		-		-
			<u>409,293</u>		<u>60,194</u>
<b>Current assets</b>					
Debtors	13	3,321,047		2,263,424	
Cash at bank and in hand		245		441,416	
		<u>3,321,292</u>		<u>2,704,840</u>	
<b>Creditors: amounts falling due within one year</b>	14	(3,028,256)		(2,343,220)	
<b>Net current assets</b>			<u>293,036</u>		<u>361,620</u>
<b>Total assets less current liabilities</b>			<u>702,329</u>		<u>421,814</u>
<b>Provisions for liabilities</b>	15		(10,900)		(6,101)
<b>Net assets</b>			<u>691,429</u>		<u>415,713</u>
<b>Capital and reserves</b>					
Called up share capital	16		99,338		99,338
Share premium account			63,587		63,587
Profit and loss account			528,504		252,788
<b>Shareholders' funds</b>			<u>691,429</u>		<u>415,713</u>

The notes on pages 12 to 24 form part of these financial statements.

The financial statements of LMA Recruitment Limited were approved by the Board and authorised for issue on 4 June 2019.



T Anderson  
Director

Company Registration No. 03714048 (England and Wales)

**LMA RECRUITMENT LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**AS AT 31 DECEMBER 2018**

	<b>Note</b>	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 31 December 2016</b>		99,338	63,587	(3,709)	159,216
Profit and total comprehensive income for the year		-	-	306,497	306,497
Dividend paid on equity shares	<b>8</b>	-	-	(50,000)	(50,000)
<b>At 31 December 2017</b>		99,338	63,587	252,788	415,713
Profit and total comprehensive income for the year		-	-	275,716	275,716
<b>At 31 December 2018</b>		99,338	63,587	528,504	691,429

# **LMA RECRUITMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1 Accounting policies**

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

##### **1.1 General information and basis of accounting**

LMA Recruitment Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act. The address of the registered office and registered number is given on page 3. The principal activities are set out in the director's report on page 4.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel. The Company is consolidated in the financial statements of its parent, Empresaria Group plc, which may be obtained at Old Church House, Sandy Lane, Crawley Down, Crawley, West Sussex, RH10 4HS.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Empresaria Group plc, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

##### **1.2 Going concern**

The Company's activities are funded by a combination of invoice finance and bank overdraft facilities. The day to day operations are funded by cash generated from trading. The Board has reviewed the company's profit and cash flow projections, and applied sensitivities to the underlying assumptions.

These projections suggest that the Company will meet its obligations as they fall due with the use of existing facilities. The Company has received a letter of continuing support from its ultimate parent company. As a result the going concern basis of preparation continues to be adopted.

## **LMA RECRUITMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1 Accounting policies (continued)**

##### **1.3 Turnover**

Turnover represents amounts receivable for services provided in the normal course of business excluding value added tax.

Permanent placement turnover is recognised at the point when the candidate commences employment.

Contract placement turnover is recognised on the basis of actual work performed in the relevant year based on time sheets submitted.

##### **1.4 Goodwill**

Acquired goodwill is written off in equal annual instalments over its useful economic life. In the opinion of the directors, the estimated life of goodwill is 10 years.

##### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings & equipment	3 to 5 years straight line
--------------------------------	----------------------------

##### **1.6 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

##### **1.7 Leasing**

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

##### **1.8 Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that are applicable by the balance sheet date.

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

## **LMA RECRUITMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1 Accounting policies (continued)**

##### **1.9 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

##### **1.10 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

##### **1.11 Financial Instruments**

Current debtors and creditors are measured at transaction price, less any impairment. Loans receivable and other financial liabilities, including amounts due from and to subsidiary undertakings, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **2 Critical accounting 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.

No material items of judgement and uncertainty have been identified by management in relation to the preparation of these financial statements.

# **LMA RECRUITMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

### **3 Turnover**

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom and is stated net of VAT.

<b>4 Other interest receivable and similar income</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>

On bank loans and overdrafts	627	-
	<u>          </u>	<u>          </u>

<b>5 Interest payable and similar expenses</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>

On bank loans and overdrafts	30,199	13,877
	<u>          </u>	<u>          </u>

<b>6 Profit on ordinary activities before taxation</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>

Profit on ordinary activities before taxation is stated after charging / (crediting) :

Amortisation of intangible assets	27,063	-
Depreciation of tangible assets	66,434	40,011
(Gain) / loss on foreign exchange transactions	(1,475)	474
Operating lease rentals	179,441	130,080
Fees payable to the Company's auditor for the audit of the Company's financial statements	7,950	7,037
Impairment of investment	250,000	-
Dividend income from investments	(197,979)	-
	<u>          </u>	<u>          </u>

# LMA RECRUITMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

7	<b>Tax on profit on ordinary activities</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	The tax charge comprises:		
	<b>Current tax</b>		
	UK corporation tax	103,803	90,124
	Adjustment in respect of prior years	979	(10,189)
	<b>Total current tax</b>	<u>104,782</u>	<u>79,935</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	7,564	(1,440)
	<b>Total tax on profit on ordinary activities</b>	<u><u>112,346</u></u>	<u><u>78,495</u></u>

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

Profit on ordinary activities before tax	<u>388,062</u>	<u>384,992</u>
Tax on ordinary activities at standard UK corporation tax rate for the year of 19% (2017: 19.25%).	<u>73,732</u>	<u>74,111</u>
Effects of:		
Expenses not deductible for tax purposes	19	14,573
Income not taxable	37,616	-
Adjustments to previous periods	979	(10,189)
	<u>38,614</u>	<u>4,384</u>
<b>Total tax on profit on ordinary activities</b>	<u><u>112,346</u></u>	<u><u>78,495</u></u>

The standard rate of tax applied to reported profit on ordinary activities is 19% (2017: 19.25%).



# LMA RECRUITMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

8 Dividends	2018 £	2017 £
-------------	-----------	-----------

Ordinary interim paid. £Nil per A Ordinary share (2017: £0.53 per A Ordinary share)	-	50,000
---	---	--------

## 9 Acquisition of net liabilities of fellow subsidiary undertaking

On 1 January 2018 the shares in Mansion House Recruitment Limited, a company under common control, were transferred to the Company for £250,000. On the same date the trade and assets were also transferred to the Company for a further consideration of £250,000. Mansion House Recruitment Limited registered address is the same as the Company's and can be found on page 3 of the annual report.

	£
Debtors	101,979
Creditors: amounts falling due within one year	(124,122)
Net liabilities	(22,143)

## 10 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2018	-
Additions	327,143
At 31 December 2018	327,143
<b>Amortisation</b>	
At 1 January 2018	-
Amortisation	27,063
At 31 December 2018	27,063
<b>Net book value</b>	
At 31 December 2018	300,080
At 31 December 2017	-

## LMA RECRUITMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

#### 10 Intangible fixed assets (continued)

On 1 January 2018 the Company acquired the shares of Mansion House ("Mansion House") Recruitment Limited, a company under common control, from Empresaria Group plc for consideration of £250,000. At the acquisition date Mansion House was in a net liability position and therefore the investment value was impaired (see note 11).

On 23 October 2018 the Company acquired certain assets of Henry Fox Commercial Recruitment Limited. An intangible asset of £55,000 has been recognised on acquisition reflecting the goodwill and business information acquired.

#### 11 Tangible fixed assets

	<b>Fixtures, fittings &amp; equipment £</b>
<b>Cost</b>	
At 1 January 2018	243,623
Additions	115,453
	<hr/>
At 31 December 2018	359,076
	<hr/>
<b>Depreciation</b>	
At 1 January 2018	183,429
Charge for the year	66,434
	<hr/>
At 31 December 2018	249,863
	<hr/>
<b>Net book value</b>	
At 31 December 2018	109,213
	<hr/>
At 31 December 2017	60,194
	<hr/>

# LMA RECRUITMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 January 2018	-
Additions	250,000
At 31 December 2018	<u>250,000</u>
<b>Impairment</b>	
At 1 January 2018	-
Impairment	250,000
At 31 December 2018	<u>250,000</u>
<b>Net book value</b>	
At 31 December 2018	-
At 31 December 2017	<u>-</u>

### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company Subsidiary undertaking	Country of registration or incorporation and registered office	Shares held Class	%
Mansion House Recruitment Limited	Old Church House, Sandy Lane, Crawley Down, Crawley, West Sussex, RH10 4HS	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2018 £	Profit for the year 2018 £
Mansion House Recruitment Limited	Principal activity Recruitment Consultants	<u>1</u>	<u>272,143</u>

# LMA RECRUITMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

<b>13 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,788,853	1,767,128
Amounts owed by subsidiary and other group undertakings	301,413	317,371
Other debtors	43,735	22,134
Prepayments and accrued income	187,046	156,791
	<u>3,321,047</u>	<u>2,263,424</u>

<b>14 Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	533,624	233,083
Trade creditors	70,629	16,798
Amounts owed to parent and fellow subsidiary undertakings	71,460	70,639
Corporation tax	48,950	42,768
Other taxes and social security costs	639,165	578,676
Invoice finance creditor	1,229,256	1,018,618
Other creditors	151,527	114,728
Accruals and deferred income	283,645	267,910
	<u>3,028,256</u>	<u>2,343,220</u>

The invoice financing creditor and overdraft is secured on the related trade debtors.

### 15 Provision for liabilities

	<b>Deferred tax liability</b>
	<b>£</b>
Balance at 1 January 2018	6,101
Acquisition of subsidiary undertaking (see note 9)	(2,765)
Profit and loss account	7,564
	<u>10,900</u>

The deferred tax liability is made up as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>10,900</u>	<u>6,101</u>

## LMA RECRUITMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

#### 16 Called up share capital and reserves

	2018	2017
	£	£
<b>Allotted, issued and fully paid</b>		
94,941 "A" Ordinary of 1p each	949	949
37,500 "C" Ordinary of 1p each	375	375
18,060 "D" Ordinary of 1p each	181	181
97,833 Deferred shares of £1 each	97,833	97,833
	<hr/>	<hr/>
	99,338	99,338
	<hr/>	<hr/>

The full rights attaching to the different share classes are set out in the articles of association, and are summarised below.

#### **Voting**

The "A", "C" and "D" shareholders rank *pari passu*, whilst there are no voting rights attached to the deferred shares.

#### **Dividends**

The "A" and "C" shareholders receive such dividends as decided by the directors. The "D" shareholders receive such dividends as decided by the directors subject to a maximum as defined in the articles of association. The deferred shares carry no rights to dividends.

#### **Winding up**

On winding up, the following order of priority applies:

- a) the "A" shareholders receive £14 per share together with any arrears on or accrued dividends;
- b) the "C" shareholders receive £14 per share together with any arrears on or accrued dividends;
- c) the deferred shareholders receive the sum of £0.01 per share;
- d) any remaining balance is distributed "*pari passu*" to the "A" and "C" shareholders.

The "D" shareholders are not entitled to receive any payment on winding up.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

# **LMA RECRUITMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

### **17 Contingent liabilities**

The Company is part of a bank overdraft arrangement that operates across a number of subsidiaries of the ultimate parent company. This facility gives the Company greater access to readily available cash resources. Cross guarantees exists between the companies within this facility. The total amount owed by the group under this arrangement as at 31 December 2018 was £3,946,218 (2017: £4,114,293).

### **18 Financial commitments**

At 31 December 2018 the total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	180,000	140,000	1,944	2,909
Between two to five years	480,000	513,333	1,469	3,413
	<u>660,000</u>	<u>653,333</u>	<u>3,413</u>	<u>6,322</u>

### **19 Directors' remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	<u>553,587</u>	<u>522,012</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for the highest paid director	<u>162,084</u>	<u>175,748</u>
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## **LMA RECRUITMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **20 Employees**

##### **Number of employees**

The average monthly number of employees (including directors) during the year was:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
	59	41
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,330,124	2,470,336
Social security costs	373,343	277,349
Other pension costs	29,311	12,128
	<u>          </u>	<u>          </u>
	<u>3,732,778</u>	<u>2,759,813</u>

#### **21 Control**

The immediate and ultimate parent company is Empresaria Group plc, a company registered in England and Wales.

The largest and smallest group of undertakings for which consolidated financial statements have been drawn up is that headed by Empresaria Group plc.

Empresaria Group plc prepares group financial statements and copies can be obtained from - Old Church House, Sandy Lane, Crawley Down, Crawley, West Sussex, RH10 4HS.

## **LMA RECRUITMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **22 Related party relationships and transactions**

During the year the company paid franchise fees and general purchases of £216,756 (2017: £189,379) to the parent company. The company also made sales of £40,000 (2017: £15,400) to the parent company during the year. The amount owed to the parent company at the year end was £53,922 (2017: £65,127) and the amount due from them was £nil (2017: £12,000).

The following transactions are with companies under common control.

At the year end the company was owed £20,740 (2017: £20,740) from Empresaria Asia Limited.

The company also made sales during the year of £nil (2017: £25,568) and purchases of £nil (2017: £3,098) with LMA Recruitment Singapore Pte Ltd. At the year end the amount owed by LMA Recruitment Singapore Pte. Ltd was £280,672 (2017: £263,666) and the amount owed to them was £14,859 (2017: £3,097).

During the year the company made purchases of £nil (2017: £162) and sales of £nil (2017: £54,870) to Mansion House Recruitment Limited. At the year end the company owed £1 (2017: £162) to Mansion House Recruitment Limited and was owed £nil (2017: £20,965) from them.

During the year the company made purchases of £40,777 (2017: £18,364) from Interactive Manpower Solutions Private Ltd. The company also made purchases of £40,400 (2017: £nil) from McCall Limited. At the year end the company owed £2,677 (2017: £2,253) to Interactive Manpower Solutions Private Ltd.