

Company Registration No. 03714048 (England and Wales)

LMA RECRUITMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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LMA RECRUITMENT LIMITED

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LMA RECRUITMENT LIMITED

COMPANY INFORMATION

Directors

R L Driggs
T Anderson
J Chapman
P Cubitt
N Joannides

Company registration number

03714048

Registered office

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

Independent Auditor

BDO LLP
Statutory Auditor
2 City Place
Beehive Ring Road
Gatwick
RH6 0PA
United Kingdom

LMA RECRUITMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the annual audited report and financial statements for the year ended 31 December 2020.

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:

R L Driggs	
R N Thompson	(Resigned 16 November 2020)
T Anderson	
J Chapman	(Appointed 16 November 2020)
P Cubitt	(Appointed 20 November 2020)
N Joannides	

Going concern

In preparing the financial statements the directors are required to assess the Company's ability to continue to trade as a going concern for the foreseeable future.

In undertaking this assessment, the directors have given due consideration to the Company's banking facilities, historical and current trading, together with the forward-looking projections. The Company has prepared detailed cashflow forecasts and undertaken scenario modelling given the ongoing COVID-19 pandemic. Forecasts for the years ending 31 December 2021 and 2022 have been prepared taking into consideration the ongoing impact of the pandemic. Scenario modelling have been prepared based on these forecasts with reductions in revenue and the costs savings that could be achieved if decreases in revenue were experienced. Based on the current environment it is not anticipated that revenues will reduce to the levels experienced during the second quarter of 2020 due to the vaccination programme in the UK and the current phased reopening of the economy currently planned at the date of approval of these financial statements. These forecasts assume that the company will continue to have access to the overdraft facilities provided to the Group by its bankers which are next due for review in January 2022. Based on informal discussions the Board has had with its lenders, we have no reason to believe that these or equivalent facilities will not continue to be available to the Group for the foreseeable future.

The Directors have reviewed the cash flow forecasts and scenarios and based on their best assessment believe that the Company will have sufficient financing in place to ensure cash flow requirements are satisfied for at least the next twelve months and that there are no material uncertainties. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. Consequently, the financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

LMA RECRUITMENT LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

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

BDO LLP 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:

A handwritten signature in black ink, appearing to read 'T Anderson', with a long horizontal flourish extending to the right.

T Anderson
Director

23 June 2021

LMA RECRUITMENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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 on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss 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.

We have audited the financial statements of LMA Recruitment Limited (the 'Company') for the year ended 31 December 2020 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).

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

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 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.

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. 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 course of 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.

Other Companies Act 2006 reporting

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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 6, 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.

LMA RECRUITMENT LIMITED

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

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.

Throughout our audit of the financial statements, we have neither identified nor come across any instances that indicate potential fraudulent activity.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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 entity and the industry in which it operates, and considered the risk of non-compliance or fraud.
- We designed audit procedures to detect material misstatements due to fraud and error.
- We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, UK GAAP, Companies Act 2006 and certain requirements from UK and overseas tax legislation.
- Our tests included, but were not limited to, agreement of the financial statement disclosures to underlying supporting documentation, review of correspondence with regulators and legal advisors, enquiries of management and review of board minutes.
- We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. To address the risk of fraud due to revenue recognition through our journals testing we obtained a list of journal entries to revenue and reviewed manual postings with values greater than predetermined thresholds.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

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. This description forms part of our auditor's report.

LMA RECRUITMENT LIMITED

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

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.

DocuSigned by:

Anna Draper

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Anna Draper (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Gatwick

United Kingdom

25 June 2021

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 2020

	Notes	2020 £	2019 £
Turnover	3	10,619,969	13,540,585
Cost of sales		(7,966,818)	(8,979,335)
Other Income		84,592	-
Gross profit		<u>2,737,743</u>	<u>4,561,250</u>
Administrative expenses		(3,050,087)	(4,698,630)
Other Income		275,334	-
Operating loss		<u>(37,010)</u>	<u>(137,380)</u>
Income from investment	6	-	-
Interest receivable and similar income	4	2,278	-
Interest payable and similar expenses	5	(20,822)	(38,342)
Loss on ordinary activities before taxation	6	<u>(55,554)</u>	<u>(175,722)</u>
Tax on loss on ordinary activities	7	2,676	47,519
Loss for the year		<u><u>(52,878)</u></u>	<u><u>(128,203)</u></u>

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 14 to 25 form part of these financial statements.

LMA RECRUITMENT LIMITED

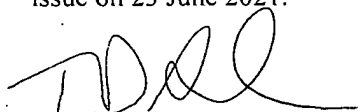
BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Intangible assets	8		233,672		266,876
Tangible assets	9		73,965		63,671
Investments	10		-		-
			<u>307,637</u>		<u>330,547</u>
Current assets					
Debtors	11	1,654,478		2,515,301	
Cash at bank and in hand		864,218		-	
		<u>2,518,696</u>		<u>2,515,301</u>	
Creditors: amounts falling due within one year	12	(2,306,040)		(2,276,171)	
Net current assets			<u>212,656</u>		<u>239,130</u>
Total assets less current liabilities			<u>520,293</u>		<u>569,677</u>
Provisions for liabilities	13		(9,945)		(6,451)
Net assets			<u>510,348</u>		<u>563,226</u>
Capital and reserves					
Called up share capital	14		99,338		99,338
Share premium account			63,587		63,587
Profit and loss account			347,423		400,301
Shareholders' funds			<u>510,348</u>		<u>563,226</u>

The notes on pages 14 to 25 form part of these financial statements.

The financial statements of LMA Recruitment Limited were approved by the Board and authorised for issue on 23 June 2021.



T Anderson
Director

Company Registration No. 03714048 (England and Wales)

LMA RECRUITMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2020

	Note	Called up share capital	Share premium account	Profit and loss account	Total
		£	£	£	£
At 31 December 2018		99,338	63,587	528,504	691,429
Loss and total comprehensive income for the year		-	-	(128,203)	(128,203)
At 31 December 2019		99,338	63,587	400,301	563,226
Loss and total comprehensive income for the year		-	-	(52,878)	(52,878)
At 31 December 2020		99,338	63,587	347,423	510,348

LMA RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

In preparing the financial statements the directors are required to assess the Company's ability to continue to trade as a going concern for the foreseeable future.

In undertaking this assessment, the directors have given due consideration to the Company's banking facilities, historical and current trading, together with the forward-looking projections. The Company has prepared detailed cashflow forecasts and undertaken scenario modelling given the ongoing COVID-19 pandemic. Forecasts for the years ending 31 December 2021 and 2022 have been prepared taking into consideration the ongoing impact of the pandemic. Scenario modelling have been prepared based on these forecasts with reductions in revenue and the costs savings that could be achieved if decreases in revenue were experienced. Based on the current environment it is not anticipated that

LMA RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.2 Going concern (continued)

revenues will reduce to the levels experienced during the second quarter of 2020 due to the vaccination programme in the UK and the current phased reopening of the economy currently planned at the date of approval of these financial statements. These forecasts assume that the company will continue to have access to the overdraft facilities provided to the Group by its bankers which are next due for review in January 2022. Based on informal discussions the Board has had with its lenders, we have no reason to believe that these or equivalent facilities will not continue to be available to the Group for the foreseeable future.

The Directors have reviewed the cash flow forecasts and scenarios and based on their best assessment believe that the Company will have sufficient financing in place to ensure cash flow requirements are satisfied for at least the next twelve months and that there are no material uncertainties. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. Consequently, the financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

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.

LMA RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

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.

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 2020

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.

4	Other interest receivable and similar income	2020 £	2019 £
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On bank loans and overdrafts	2,278	-
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5	Interest payable and similar expenses	2020 £	2019 £
---	---------------------------------------	-----------	-----------

On bank loans and overdrafts	20,822	38,342
------------------------------	--------	--------

6	Loss on ordinary activities before taxation	2020 £	2019 £
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Loss on ordinary activities before taxation is stated after charging / (crediting):

Amortisation of intangible assets	33,204	33,204
Depreciation of tangible assets	51,880	64,117
Gain on foreign exchange transactions	2,529	(2,045)
Operating lease rentals	181,754	223,626
Fees payable to the Company's auditor for the audit of the Company's financial statements	14,000	9,300

During the year the company received an amount of £359,936 from the UK Furlough scheme. Of this £84,592 was received in relation to temporary workers, as we worked with clients to protect jobs. The remaining £275,344 was received in relation to our own staff. No amounts were received in 2019.

LMA RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

7	Tax on loss on ordinary activities	2020 £	2019 £
	The tax charge/(credit) comprises:		
	Current tax		
	UK corporation tax	-	(9,985)
	Adjustment in respect of prior years	-	(33,085)
	Total current tax	-	(43,070)
	Deferred tax		
	Origination and reversal of timing differences	(2,676)	(4,449)
	Total tax on loss on ordinary activities	(2,676)	(47,519)

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

Loss on ordinary activities before tax	(55,554)	(175,722)
Tax on ordinary activities at standard UK corporation tax rate for the year of 19% (2019: 19%).	(10,555)	(33,387)
Effects of:		
Expenses not deductible for tax purposes	7,879	18,953
Adjustments in respect of prior years	-	(33,085)
	7,879	(14,132)
Total tax on (loss)/profit on ordinary activities	(2,676)	(47,519)

The standard rate of tax applied to reported profit on ordinary activities is 19% (2019: 19%).

LMA RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2020	327,143
Additions	-
	<hr/>
At 31 December 2020	327,143
	<hr/>
Amortisation	
At 1 January 2020	60,267
Amortisation	33,204
	<hr/>
At 31 December 2020	93,471
	<hr/>
Net book value	
At 31 December 2020	233,672
	<hr/> <hr/>
At 31 December 2019	266,876
	<hr/> <hr/>

9 Tangible fixed assets

	Fixtures, fittings & equipment	Software	Total
	£	£	£
Cost			
At 1 January 2020	377,651	-	377,651
Additions	8,951	53,223	62,174
	<hr/>	<hr/>	<hr/>
At 31 December 2020	386,602	53,223	439,825
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2020	313,980	-	313,980
Charge for the year	46,844	5,036	51,880
	<hr/>	<hr/>	<hr/>
At 31 December 2020	360,824	5,036	365,860
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2020	25,778	48,187	73,965
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2019	63,671	-	63,671
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LMA RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2020 and 31 December 2020	250,000
Impairment	
At 1 January 2020 and 31 December 2020	250,000
Net book value	
At 31 December 2019 and 2020	-

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	Class	Shares held %
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 2020 £	Loss for the year 2020 £
	Principal activity		
Mansion House Recruitment Limited	Recruitment Consultants	(170)	(84)

LMA RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Debtors	2020	2019
	£	£
Trade debtors	1,038,008	1,955,999
Amounts owed by subsidiary and other group undertakings	358,159	339,465
Corporation tax	9,985	9,985
Other debtors	101,092	15,211
Prepayments and accrued income	141,064	194,641
Deferred tax asset	6,170	-
	<u>1,654,478</u>	<u>2,515,301</u>

12 Creditors: amounts falling due within one year	2020	2019
	£	£
Bank overdrafts	219,573	849,752
Trade creditors	16,102	55,859
Amounts owed to parent and fellow subsidiary undertakings	9,457	20,975
Other taxes and social security costs	993,823	646,174
Invoice finance creditor	604,050	244,253
Other creditors	158,005	155,270
Accruals and deferred income	305,030	303,888
	<u>2,306,040</u>	<u>2,276,171</u>

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

13 Provision for liabilities

	Deferred tax liability
	£
Balance at 1 January 2020	6,451
Profit and loss account	3,494
	<u>9,945</u>

The deferred tax liability is made up as follows:

	2020	2019
	£	£
Accelerated capital allowances	<u>9,945</u>	<u>6,451</u>

LMA RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Called up share capital and reserves

	2020	2019
	£	£
Allotted, issued and fully paid		
103,971 (2019: 103,971) "A" Ordinary of 1p each	1,040	1,040
37,500 (2019: 37,500) "C" Ordinary of 1p each	375	375
9,030 (2019: 9,030) "D" Ordinary of 1p each	90	90
97,833 (2019: 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 expenses.

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 2020

15 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 exist between the companies within this facility. The total amount owed by the group under this arrangement as at 31 December 2020 was £7,409,898 (2019: £5,935,958).

16 Financial commitments

At 31 December 2020 the total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Within one year	180,000	180,000	2,951	3,441
Between two to five years	120,000	300,000	6,153	9,104
	<u>300,000</u>	<u>480,000</u>	<u>9,104</u>	<u>12,545</u>

17 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	<u>419,795</u>	<u>489,229</u>

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

Remuneration for the highest paid director	<u>233,002</u>	<u>171,498</u>
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LMA RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

18 Employees

Number of employees

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

2020	2019
Number	Number
40	56

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	2,075,399	3,127,393
Social security costs	248,916	355,889
Other pension costs	36,695	49,300
	<u>2,361,010</u>	<u>3,532,582</u>

19 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 2020

20 Related party relationships and transactions

During the year the company paid franchise fees and general purchases of £4,928 (2019: £nil) to the parent company. The company also made sales of £40,402 (2019: £nil) to the parent company during the year. The amount due from the parent company at the year end was £21,257 (2019: £31,410).

At the year end the company was owed:

£20,740 (2019: £20,740) from Empresaria Asia Limited;
£1,800 (2019: £nil) from McCall Limited;
£3,862 (2019: £nil) from The Recruitment Business Pty Limited;
£19,995 (2019: £nil) from Ball & Hoolahan Limited;
£31,641 (2019: £1,949) from The Recruitment Business Limited;
£258,864 (2019: £272,671) from LMA Recruitment Singapore Pte Ltd; and
£nil (2019: £97) from Medikumppani Oy.

At the year end the company owed:

£6,000 (2019: £nil) to McCall Limited;
£2,605 (2019: £6,438) to Interactive Manpower Solutions Private Ltd;
£852 (2019: £nil) to Greycoat Placements Limited;
£nil (2019: £14,537) to LMA Recruitment Singapore Pte Ltd; and
£nil (2019: £1,217) to The Recruitment Business Pty Limited.

The company made recharges during the year of:

£20,637 (2019: £nil) to The Recruitment Business Pty Limited;
£55,371 (2019: £nil) to Ball & Hoolahan Limited;
£45,964 (2019: £nil) to Greycoat Placements Limited;
£2,500 (2019: £nil) to McCall Limited;
£21,704 (2019: £30,327) to LMA Recruitment Singapore Pte Ltd;
£90,768 (2019: £13,243) to The Recruitment Business Limited; and
£nil (2019: £707) to Medikumppani Oy.

The company made purchases during the year of:

£30,161 (2019: £46,910) from Interactive Manpower Solutions Private Ltd; and
£5,000 (2019: £7,000) from McCall Limited.

All companies are under common control.