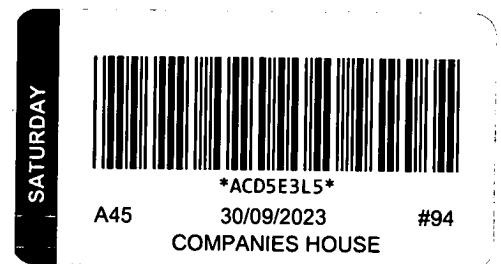


Company registration number 03884829 (England and Wales)

LMG JEWELLERY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



Plummer Parsons 
CHARTERED ACCOUNTANTS & STATUTORY AUDITOR

LMG JEWELLERY LIMITED

COMPANY INFORMATION

Director	Mr C M Bassett
Secretary	Mr M Willoughby
Company number	03884829
Registered office	Technology Business Park Moy Avenue Eastbourne East Sussex BN22 8LD
Auditor	Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT
Business address	Technology Business Park Moy Avenue Eastbourne East Sussex BN22 8LD

LMG JEWELLERY LIMITED

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LMG JEWELLERY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents the strategic report for the year ended 31 December 2022.

Review of the Business

This year has been another COVID affected year with changing work patterns having a material impact on turnover and profitability. The company receives most of its work from insurers' customers who are subject to a claim. With a greater number of people being at home, there has been a reduction in burglaries and thefts. However, the company has performed well with all the challenges presented to it and continues to invest in both IT and innovation.

Principal Risks and Uncertainties

Financial Instruments

The company's principal financial instruments comprise bank balances, trade receivables and trade payables. The main purpose of these instruments is to raise funds for the company's operations.

Liquidity Risk

The company manages its cash flow and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the businesses.

Credit Risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit validation procedures. Trade receivables are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Development and Performance

The performance of the company during the year is as follows:

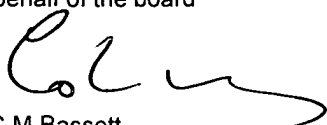
Key performance indicators

	2022	2021	2020	2019
	£	£	£	£
Turnover	30,374,720	23,806,371	27,966,806	39,135,657
Turnover growth	28%	(15)%	(29)%	(5)%
Operating profit	784,082	739,801	1,574,270	2,101,229

Future Developments

During 2023 claims volumes are seeing an uptick as more people spend less time at home.

On behalf of the board



Mr C M Bassett
Director

27 September 2023

LMG JEWELLERY LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of independent validation, replacement and repair of insurance claims for the loss or damage of jewellery and other valuable collectibles together with third party valuations for the general public.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £750,000. The director does not recommend payment of a final dividend.

Director

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

Mr C M Bassett

Research and development

The company prides itself on innovation and undertakes Research and Development activities in a range of areas in relation to its trade.

Auditor

Plummer Parsons were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments, financial risk management and financial instruments.

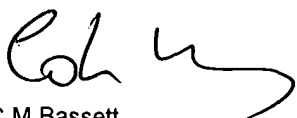
Statement of disclosure to auditor

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

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board



Mr C M Bassett
Director

27 September 2023

LMG JEWELLERY LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT **FOR THE YEAR ENDED 31 DECEMBER 2022**

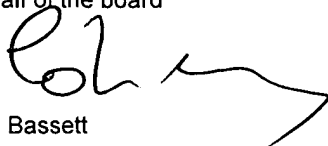
The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

On behalf of the board



Mr C M Bassett
Director

27 September 2023

LMG JEWELLERY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LMG JEWELLERY LIMITED

Opinion

We have audited the financial statements of LMG Jewellery Limited (the 'company') for the year ended 31 December 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

LMG JEWELLERY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LMG JEWELLERY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. The extent to which our procedures are capable of detecting such irregularities is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Based on our understanding of the company and industry, and through discussion with the director and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, Bribery Act 2010, employment law, Coronavirus Jobs Retention Scheme (CJRS), Data Protection Act & GDPR and other relevant legislation.

We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as FRS 102. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

LMG JEWELLERY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LMG JEWELLERY LIMITED

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management;
- A review of relevant correspondence, including correspondence with HM Revenue & Customs, for signs of potential non-compliance with laws and regulations;
- A review of specific nominal codes within the accounting records that would highlight costs associated with non-compliance of relevant laws and regulation;
- Assessment of identified fraud risk factors;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud;
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business;
- Reading minutes of meetings of those charged with governance;
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions;
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation, as well as throughout the year.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LMG JEWELLERY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LMG JEWELLERY LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Steven Griffen FCA FCCA
Senior Statutory Auditor
For and on behalf of Plummer Parsons

29 September 2023

Chartered Accountants
Statutory Auditor

18 Hyde Gardens
Eastbourne
East Sussex
BN21 4PT

LMG JEWELLERY LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	3	30,374,720	23,806,371
Cost of sales		(26,420,560)	(20,262,679)
Gross profit		3,954,160	3,543,692
Administrative expenses		(3,224,877)	(2,858,691)
Other operating income		54,800	54,800
Operating profit	4	784,083	739,801
Investment income	7	4,653	327
Finance costs	8	-	(3,096)
Profit before taxation		788,736	737,032
Tax on profit	9	(80,406)	(96,889)
Profit for the financial year		708,330	640,143

The income statement has been prepared on the basis that all operations are continuing operations.

LMG JEWELLERY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Profit for the year	708,330	640,143
Other comprehensive income	-	-
Total comprehensive income for the year	<u>708,330</u>	<u>640,143</u>

LMG JEWELLERY LIMITED

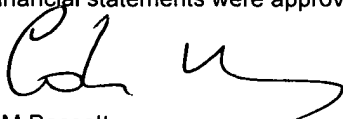
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Inventories	12	1,750,619		1,584,775	
Trade and other receivables	13	6,859,256		7,595,114	
Cash and cash equivalents		481,971		3,301,348	
		9,091,846		12,481,237	
Current liabilities	14	(6,490,912)		(9,588,633)	
Net current assets			2,600,934		2,892,604
Non-current liabilities	15		(795,000)		(1,045,000)
Net assets			1,805,934		1,847,604
Equity					
Called up share capital	17		25,456		25,456
Share premium account			410,300		410,300
Capital redemption reserve			88,440		88,440
Retained earnings			1,281,738		1,323,408
Total equity			1,805,934		1,847,604

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved and signed by the director and authorised for issue on 27 September 2023



Mr C M Bassett
Director

Company registration number 03884829 (England and Wales)

LMG JEWELLERY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total £
Balance at 1 January 2021		25,456	410,300	88,440	1,433,265	1,957,461
Year ended 31 December 2021:						
Profit and total comprehensive income		-	-	-	640,143	640,143
Dividends	10	-	-	-	(750,000)	(750,000)
Balance at 31 December 2021		25,456	410,300	88,440	1,323,408	1,847,604
Year ended 31 December 2022:						
Profit and total comprehensive income		-	-	-	708,330	708,330
Dividends	10	-	-	-	(750,000)	(750,000)
Balance at 31 December 2022		25,456	410,300	88,440	1,281,738	1,805,934

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

LMG Jewellery Limited is a private company limited by shares incorporated in England and Wales. The registered office is Technology Business Park, Moy Avenue, Eastbourne, East Sussex, BN22 8LD.

1.1 Accounting convention

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

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

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

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Emerald Investments Ltd, a company incorporated in England & Wales. These consolidated financial statements are available on the public record at Companies House

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

LMG Jewellery Limited is a wholly owned subsidiary of Be Group Holdings (uk) Limited and the results of LMG Jewellery Limited are included in the consolidated financial statements of Emerald Investments Ltd (ultimate parent undertaking) which are available from Companies House. Emerald Investments Ltd has the same registered office as this company.

1.2 Going concern

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

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 Revenue

Turnover represents amounts receivable for goods and services net of VAT. Turnover for services provided is recognised when the company has fulfilled its significant obligations on each claim. For the sale of physical goods, turnover is recognised when the significant risks and rewards of ownership have been transferred to the purchaser and is stated net of any trade discounts which apply.

All turnover is accounted for on an accruals basis.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Land and buildings Leasehold	25% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

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

1.5 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Cost is calculated using the actual cost per item.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

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

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

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

1.8 Equity instruments

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

1.9 Taxation

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

Current tax

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

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

No deferred tax liabilities or assets have been recognised in these financial statements as they are considered to be immaterial in size.

1.10 Employee benefits

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

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

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

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

Depreciation charged on tangible assets requires an estimation of their useful economic lives and residual values. The carrying values of tangible assets are therefore sensitive to the estimates used which are based on the current condition and the value in use of the assets to the company. The estimates are reviewed annually.

Details on the useful economic lives are set out in note 1 to the financial statements.

Provision for bad debts

The carrying value of receivables requires estimates of their recoverable amounts and is therefore sensitive to amounts provided for as bad debts. The bad debt provisions are based on the company's previous dealings with the debtor, their credit rating and the age of the debt. The provisions are reviewed regularly.

Details on the carrying value of receivables are set out in note 13.

3 Revenue

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

	2022 £	2021 £
Revenue analysed by class of business		
Fees in relation to the validation, replacement and repair of jewellery	30,374,720	23,806,371

	2022 £	2021 £
Other revenue		
Interest income	4,653	327

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging:		
Operating lease charges	224,908	231,118

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	15,608	13,565
For other services		
Taxation compliance services	695	660
All other non-audit services	530	480
	1,225	1,140

6 Employees

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

	2022 Number	2021 Number
Management and administration	10	9
Claims handlers	83	73
Total	93	82

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	2,660,662	2,301,979
Social security costs	266,026	220,068
Pension costs	59,117	47,996
	2,985,805	2,570,043

7 Investment income

	2022 £	2021 £
Interest income		
Interest on bank deposits	4,653	327

8 Finance costs

	2022 £	2021 £
Other interest	-	3,096

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	96,353	96,889
Adjustments in respect of prior periods	(15,947)	-
Total current tax	80,406	96,889

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

	2022 £	2021 £
Profit before taxation	788,736	737,032
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	149,860	140,036
Research and development tax credit	(52,118)	(41,464)
Under/(over) provided in prior years	(15,947)	-
Excess capital allowances over depreciation	(1,389)	(1,683)
Taxation charge for the year	80,406	96,889

10 Dividends

	2022 £	2021 £
Interim paid	750,000	750,000

11 Property, plant and equipment

	Land and buildings Leasehold £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2022 and 31 December 2022	216,544	1,279,431	85,123	12,599	1,593,697
Depreciation and impairment					
At 1 January 2022 and 31 December 2022	216,544	1,279,431	85,123	12,599	1,593,697
Carrying amount					
At 31 December 2022	-	-	-	-	-
At 31 December 2021	-	-	-	-	-

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Inventories

	2022 £	2021 £
Work in progress	105,152	89,153
Finished goods and goods for resale	1,645,467	1,495,622
	<u>1,750,619</u>	<u>1,584,775</u>

13 Trade and other receivables

	2022 £	2021 £
Amounts falling due within one year:		
Trade receivables	2,294,759	2,152,907
Amounts owed by group undertakings	4,505,074	5,399,074
Other receivables	1,041	1,041
Prepayments and accrued income	58,382	42,092
	<u>6,859,256</u>	<u>7,595,114</u>

14 Current liabilities

	2022 £	2021 £
Trade payables	2,453,340	2,719,125
Amounts owed to group undertakings	1,685,717	4,752,898
Corporation tax	46,353	8,022
Other taxation and social security	265,568	194,970
Other payables	2,039,934	1,913,618
	<u>6,490,912</u>	<u>9,588,633</u>

15 Non-current liabilities

	2022 £	2021 £
Other payables	<u>795,000</u>	<u>1,045,000</u>

16 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>59,117</u>	<u>47,996</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary Shares of £1 each	25,456	25,456	25,456	25,456

18 Operating lease commitments

Lessee

Operating lease payments represent rentals payable on the premises from which the company operates.

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

	2022 £	2021 £
Within one year	-	181,750

19 Related party transactions

Remuneration of key management personnel

The company has taken advantage of the exemption under paragraph 1.12(e) of FRS 102 from the requirement to disclose the total of key management personnel compensation.

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales 2022 £	Sales 2021 £	Purchases 2022 £	Purchases 2021 £
Entities controlled by the director	60,205	119,119	3,505,397	1,046,780

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due from related parties		
Entities controlled by the director	12,491	83,683

All year end balances have been included in trade receivables and no debt is secured. All amounts outstanding will be settled in cash.

	2022 £	2021 £
Amounts due to related parties		
Entities controlled by the director	293,675	333,140

LMG JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

19 Related party transactions

(Continued)

All year end balances have been included in trade payables and no debt is secured. All amounts outstanding will be settled in cash.

Other information

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions entered into between two or more members of a group where the subsidiary which is party to the transaction is wholly owned by the other party. The company is a wholly owned subsidiary undertaking of Emerald Investments Ltd.

20 Ultimate controlling party

The immediate parent company is Be Group Holdings (uk) Limited, a company incorporated in England & Wales.

The ultimate parent company is Emerald Investments Ltd, a company also incorporated in England & Wales which is the parent undertaking for the smallest and largest group to consolidate these financial statements. Copies of accounts can be obtained from Companies House in the UK.

The ultimate controlling party is the director, Mr C M Bassett.