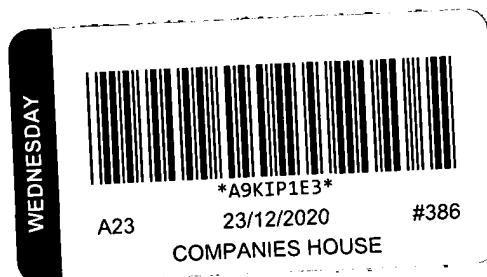


Registered number: 03886084

LEVY ASSOCIATES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



LEVY ASSOCIATES LIMITED

COMPANY INFORMATION

Directors	M J Murphy J Duke
Company secretary	E Murphy
Registered number	03886084
Registered office	Pilgrims Lodge 1A Holywell Hill St Albans Hertfordshire AL1 1ER
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

LEVY ASSOCIATES LIMITED

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LEVY ASSOCIATES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The Directors present their Strategic Report for Levy Associates Limited for the year ended 31 December 2019.

Business review

2019 saw the company invest heavily in new staff to support and expand our existing operations. Our mainland European clients required extra compliancy and administrative support therefore new members of staff were introduced along with teams of sales staff. We continue to invest and diversify into new industries and markets to remain innovative and agile for our UK clients. This will subsequently require major investment and re-aligning of our business strategy in 2020. Covid-19 will also require us to be more creative in our partnerships with clients and working conditions for our staff in the UK and Dutch offices using remote technology.

Future developments

2020 will consist of continued investment and growth in staff to support our existing operations. The board will look at strengthening the management team and look into the feasibility of new markets and country locations.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to competition and employee retention plus:

Covid-19

The pandemic will continue to be a challenge for our business whilst the virus prevents social contact. However in the interim, remote working has provided a flexible solution for our staff and clients. We will continue to work in this manner and monitor the development of the virus.

BREXIT

As there is no concrete information on a future deal between the UK and the EU, the business can only continue to support and invest our European operations until we know what is happening. Our European operations benefit from the free movement of labour between the UK and the EU so we will keep a close eye on developments and put a plan in place when more is known.

Key performance indicators

The Company is not a complex business and the Directors are of the opinion that the performance of the business can be measured against five key performance indicators:

Net profit margin for the year was 6.0% (31 December 2018 - 8.9%).
Return on shareholders funds achieved for the year was 6.9% (31 December 2018 - 9.2%).
Trade debtor days amounted to 44 days (31 December 2018 - 51 days).
Trade creditor days amounted to 28 days (31 December 2018 - 30 days).
Increase in shareholders funds was 6.9% (2018 - 10.1%).

This report was approved by the board on 18-Dec-2020 and signed on its behalf.

M J Murphy
Director 
mjmurphy (Dec 18, 2020 15:46 GMT)

LEVY ASSOCIATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors

The Directors who served during the year were:

M J Murphy

J Duke

F Cancelliere (resigned 31 March 2020)

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Principal activity

The Company's principal activity during the period continued to be that of a recruitment and resource delivery consultancy.

Results and dividends

The profit for the year, after taxation, amounted to £1,141k (2018 - £1,548k).

The Directors do not recommend the payment of a dividend (2018 - £NIL).

Charitable donations

The Company made charitable donations of £23k (2018 - £21k) in the year.

LEVY ASSOCIATES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Branches in the EU

Levy Associates Limited has a branch in Amsterdam, Netherlands.

Qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force at the date of approving the directors' report.

Matters covered in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on page 1. These matters relate to the business review, future developments, principal risks and uncertainties and key performance indicators.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

Following the year end, a significant uncertainty has arisen due to the impact of Covid-19. As this uncertainty only emerged after the year end, the Directors' view is that any future significant change is considered to be a non-adjusting event in relation to these financial statements.

The Directors will continue to monitor any impacts of Covid-19 on the Company, but as at the date of signing the financial statements do not believe that there has been any significant impact requiring disclosure.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


mjmurphy (Dec 18, 2020 15:46 GMT)

M J Murphy
Director

Date: 18-Dec-2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEVY ASSOCIATES LIMITED

Opinion

We have audited the financial statements of Levy Associates Limited (the 'Company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, 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 FRS 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 2019 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 1, and the consideration in the going concern basis of preparation on page 10 and non- adjusting post balance sheet events on page 23.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK and the Netherlands.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEVY ASSOCIATES LIMITED

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.

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

Matters on which we are required to report by exception

In 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 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.

LEVY ASSOCIATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEVY ASSOCIATES LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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 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. This description forms part of our auditor's report.

Use of the audit 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.


Stephen Brown (Dec 21, 2020 10:12 GMT)

Stephen Brown (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 21-Dec-2020

LEVY ASSOCIATES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	4	23,574	21,293
Cost of sales		(18,229)	(16,346)
Gross profit		5,345	4,947
Administrative expenses		(3,878)	(3,043)
Operating profit	5	1,467	1,904
Interest receivable and similar income	9	5	14
Interest payable and expenses	10	(54)	-
Profit before tax		1,418	1,918
Tax on profit	11	(277)	(370)
Profit for the year and total comprehensive income		1,141	1,548

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 10 to 23 form part of these financial statements.

LEVY ASSOCIATES LIMITED
REGISTERED NUMBER: 03886084

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	12	93	55
		<u>93</u>	<u>55</u>
Current assets			
Debtors: amounts falling due within one year	13	18,622	18,187
Cash and cash equivalents	15	2,396	1,489
		<u>21,018</u>	<u>19,676</u>
Creditors: amounts falling due within one year	16	(2,996)	(2,795)
Net current assets		<u>18,022</u>	<u>16,881</u>
Total assets less current liabilities		<u>18,115</u>	<u>16,936</u>
Provisions for liabilities			
Other provisions	17	(155)	(117)
		<u>(155)</u>	<u>(117)</u>
Net assets		<u><u>17,960</u></u>	<u><u>16,819</u></u>
Capital and reserves			
Called up share capital	18	252	252
Share premium account	19	25	25
Profit and loss account	19	17,683	16,542
		<u>17,960</u>	<u>16,819</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

mj murphy
 mjYmurphy (Dec 18, 2020 15:46 GMT)

M J Murphy
 Director

Date: 18-Dec-2020

The notes on pages 10 to 23 form part of these financial statements.

LEVY ASSOCIATES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2019	252	25	16,542	16,819
Comprehensive income for the year				
Profit for the year	-	-	1,141	1,141
Total comprehensive income for the year	-	-	1,141	1,141
At 31 December 2019	252	25	17,683	17,960

The notes on pages 10 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018	252	25	14,994	15,271
Comprehensive income for the year				
Profit for the year	-	-	1,548	1,548
Total comprehensive income for the year	-	-	1,548	1,548
At 31 December 2018	252	25	16,542	16,819

The notes on pages 10 to 23 form part of these financial statements.

LEVY ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Levy Associates Limited ('the Company') is a private company (03886084) limited by shares incorporated in England and Wales. The address of its registered office and principal place of business is Pilgrims Lodge, 1A Holywell Hill, St. Albans, Hertfordshire, AL1 1ER.

The principal activity of the Company is that of a recruitment and resource delivery consultancy.

These financial statements have been prepared to the nearest Pounds Sterling as this is the currency of the primary economic environment in which the Company operates. Monetary amounts in these financial statements are rounded to the nearest whole thousand.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

The Directors have reviewed cash flow forecasts for a period of not less than 12 months from the date of the audit opinion and are confident that the Company will be able to pay its liabilities as they fall due. On this basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis, having considered the impact of Covid-19 and Brexit as disclosed in the Strategic Report.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Jemhafin Limited as at 31 December 2019 and these financial statements may be obtained from Companies House.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the below methods.

Depreciation is provided on the following basis:

Long term leasehold property improvements	-	33% straight line
Office equipment	-	20% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Depreciation is charged to administrative expenses in the Statement of Comprehensive Income.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable 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.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the accounting policies, the directors have made critical accounting judgments, estimates and assumptions about the carrying amount of the assets and liabilities. These estimates and assumptions are based on historical experience and are reviewed on a continual basis.

The critical accounting judgments, estimates and assumptions that have a material effect on the amounts recognised in the financial statements for both the current and next financial years are discussed below.

(i) Debtor recoverability

All debtors are credit checked and receive credit rating reviews; debtors outside of their credit terms are provided for in bad debts.

LEVY ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

The whole of the turnover is attributable to the Company's principal activity of recruitment and resource delivery consultancy.

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	4,591	4,898
Rest of Europe	18,983	16,387
Rest of the World	-	8
	<u>23,574</u>	<u>21,293</u>

5. Operating profit

The operating profit is stated after charging/(crediting):

	2019 £000	2018 £000
Depreciation of tangible fixed assets	31	24
Exchange differences	199	(80)
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	17	15
Fees payable to the Company's auditor and its associates in respect of:		
All other services	<u>20</u>	<u>6</u>

The audit and non-audit fees in relation to the parent holdings company are also borne by Levy Associates Limited.

LEVY ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	2019	2018
	£000	£000
Wages and salaries	2,435	2,018
Social security costs	224	190
Cost of defined contribution scheme	134	65
	<u>2,793</u>	<u>2,273</u>

During the year ended 31 December 2019 the cost of contractors was £8,361k (2018: £6,333k).

The average monthly number of employees, including the Directors, during the year was as follows:

	2019	2018
	No.	No.
Administration	7	8
Sales	30	27
	<u>37</u>	<u>35</u>

8. Directors' remuneration

	2019	2018
	£000	£000
Directors' emoluments	397	418
Company contributions to defined contribution pension schemes	106	55
	<u>503</u>	<u>473</u>

During the year retirement benefits were accruing to 3 Directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration including pension contributions of £244k (2018 - £192k). The value of the Company's contribution paid to a defined contribution scheme in respect of the highest paid director amounted to £100k (2018: £2k).

9. Interest receivable

	2019	2018
	£000	£000
Other interest receivable (note 23)	<u>5</u>	<u>14</u>

LEVY ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Interest payable and similar charges

	2019 £000	2018 £000
Other interest payable	54	-
	<u>54</u>	<u>-</u>

11. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	273	375
Adjustments in respect of previous periods	-	(1)
Total current tax	<u>273</u>	<u>374</u>
Deferred tax		
Origination and reversal of timing differences	4	(4)
Total deferred tax	<u>4</u>	<u>(4)</u>
Taxation on profit on ordinary activities	<u>277</u>	<u>370</u>

LEVY ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	<u>1,418</u>	<u>1,918</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	269	364
Effects of:		
Expenses not deductible for tax purposes	29	12
Fixed asset differences	4	-
Adjustments to tax charge in respect of prior periods	-	(1)
Other differences leading to an increase (decrease) in the tax charge	(24)	-
Group relief	(1)	(5)
Total tax charge for the year	<u><u>277</u></u>	<u><u>370</u></u>

Factors that may affect future tax charges

The Finance Act 2020 enacted legislation to maintain the current rate of corporation tax at 19% up until at least the tax year ended April 2022.

LEVY ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Tangible fixed assets

	Long term leasehold property improvements £000	Office equipment £000	Total £000
Cost or valuation			
At 1 January 2019	78	380	458
Additions	1	68	69
At 31 December 2019	79	448	527
Depreciation			
At 1 January 2019	63	340	403
Charge for the year on owned assets	7	24	31
At 31 December 2019	70	364	434
Net book value			
At 31 December 2019	9	84	93
At 31 December 2018	15	40	55

LEVY ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. Debtors

	2019 £000	2018 £000
Trade debtors	2,836	2,994
Amounts owed by group undertakings	14,969	14,391
Other debtors	247	498
Prepayments and accrued income	399	130
Tax recoverable	157	155
Deferred taxation	14	19
	<u>18,622</u>	<u>18,187</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Included within other debtors is Director loan accounts of £194k (2018 - £489k) - refer to note 23.

Tax recoverable relates to Section 455 tax on the Director loans.

14. Deferred taxation

	2019 £000
At beginning of year	19
Charged to profit or loss	(5)
At end of year	<u>14</u>

The deferred tax asset is made up as follows:

	2019 £000	2018 £000
Timing differences	<u>14</u>	<u>19</u>

LEVY ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Cash and cash equivalents

	2019	2018
	£000	£000
Cash at bank and in hand	2,396	1,489
Less: bank overdrafts (note 16)	(197)	(312)
	<u>2,199</u>	<u>1,177</u>

16. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Bank overdrafts	197	312
Trade creditors	1,375	1,349
Corporation tax	82	189
Other taxation and social security	1,083	839
Other creditors	-	18
Accruals and deferred income	259	88
	<u>2,996</u>	<u>2,795</u>

17. Provisions

	Provision
	£000
At 1 January 2019	117
Charged to profit or loss	38
At 31 December 2019	<u>155</u>

This is the provision for the transition payments due on contractors now employed by the branch in Amsterdam, Netherlands.

LEVY ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. Share capital

	2019	2018
	£000	£000
Allotted, called up and fully paid		
251,985 (2018 - 251,985) Ordinary Shares shares of £1.00 each	252	252
	<u>252</u>	<u>252</u>

The ordinary shares have a par value of £1 per share and are fully paid.

These shares carry no right to fixed income or have any preference or restrictions attached to them.

19. Reserves**Share premium account**

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Profit and loss account

The profit and loss account represents cumulative profits and losses of the Company.

20. Contingent liabilities

The Company has facilities secured by a charge over the debtor book and a debenture creating a fixed and floating charge over the assets of the Company.

21. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £134k (2018: £65k). At the balance sheet date, £NIL (2018: £NIL) was payable to the fund.

22. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£000	£000
Not later than 1 year	61	131
Later than 1 year and not later than 5 years	248	247
Later than 5 years	31	92
	<u>340</u>	<u>470</u>

LEVY ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Related party transactions

The Company has taken advantage of the exemption available according with 'Section 33 'Related party disclosures' not to disclose transactions entered into between two or more members of a group that are wholly owned.

Included within other debtors is a loan to M J Murphy, a director, amounting to £NIL (2018: £30k). The loan was repaid in full during the year.

On 19 September 2016, an additional loan of £392k was issued to M J Murphy, a director, and is included in other debtors. During the year ended 31 December 2018 an additional £31k was issued. The amount repaid in the year was £270k (2018: £NIL). The loan attracts interest at the rate that is equal to the Inland Revenue Official Rate of Interest (from time to time) per annum. For the year ended 31 December 2019 the rate was 2.5% (2018: 2.5%) and the interest added to the loan account was £5k (2018: £14k). The balance outstanding at the year end was £194k (2018: £459k).

24. Post balance sheet events

Following the year end, a significant uncertainty has arisen due to the impact of Covid-19. As this uncertainty only emerged after the year end, the Directors' view is that any future significant change is considered to be a non-adjusting event in relation to these financial statements.

The Directors will continue to monitor any impacts of Covid-19 on the Company, but as at the date of signing the financial statements do not believe that there has been any significant impact requiring disclosure.

25. Controlling party

The immediate controlling party of Levy Associates Limited is Jemhafin Limited, a company incorporated in England and Wales. This Company is the parent of the smallest and largest group in which the Company's results are consolidated into. The consolidated accounts are available from Companies House.

The ultimate controlling party of Jemhafin Limited is M J Murphy by way of his majority shareholding in Jemhafin Limited.