

**Emblem Holdings Limited**  
**Annual Report and Consolidated Financial Statements**  
**Year Ended 31 March 2021**  
Registration number: 5587195



# **Emblem Holdings Limited**

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# **Emblem Holdings Limited**

## **Company Information**

**Directors** J G Richardson  
D J Richardson  
N J Churchward

**Company secretary** N J Churchward

**Registered office** Emblem House  
Pynes Hill  
Exeter  
EX2 5FD

**Bankers** National Westminster Bank plc  
Exeter  
59 High Street  
EXETER  
EX4 3DL

**Auditors** PKF Francis Clark  
Statutory Auditor  
Centenary House  
Peninsula Park  
Rydon Lane  
Exeter  
EX2 7XE

# Emblem Holdings Limited

## Strategic Report

Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

### Fair review of the business

The principal activity of the company is that of a holding company. The principal activity of the group is that of employment consultants at the leading edge of the technology sector.

The group's key performance indicators are turnover and gross profit, which can be seen in the Consolidated Profit and Loss Account on page 10. The current year has seen some difficult trading conditions as a result of the uncertainties created by Brexit and the impact of the coronavirus pandemic throughout the year. Both UK and overseas revenues have fallen leading to lower turnover overall compared to the prior year. However, the largest impact of the pandemic was experienced at the start of the year and contractor numbers have gradually increased throughout the year. The nature of the business means a large portion of direct costs are variable and therefore reduced in line with turnover. Positively, gross profit margin increased during the year from 11.7% to 11.9%, which has helped counteract some of the effect of the decrease in turnover. Overheads continue to be closely managed and have reduced compared to prior year, assisted by the use of the Coronavirus Job Retention Scheme in the year.

No further KPI analysis is considered necessary for an understanding of the development, performance and position of the group.

The directors are proud to be in their 33rd year of trading in this sector and are confident in the group's ability to remain successful in the year ahead.

### Principal risks and uncertainties

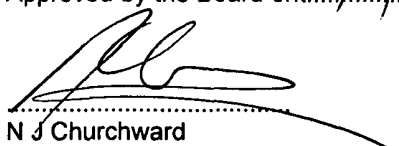
The directors view the active management of risk as a key management process and recognise that managing business risk to deliver opportunities is critical to the strategic development of the business. It is ensured that such business risks, which are classified as strategic, operational, reputational, financial and environmental, are both understood and visible as far as practicable. The group's policy is to ensure that risk is taken on an informed basis rather than unintentional basis.

The main uncertainty remains economic trading conditions and the ongoing impact of Brexit and the COVID-19 pandemic. The group continues to evolve with industry demands and its continued success comes from delivering first class levels of service to customers and candidates. There continues to be a growing demand for leading edge technology expertise but the market is competitive.

Domestic sales come from a range of SME's and blue chip companies which demonstrates the group's ability to look after a wide range of customers.

The group has several large clients, which form a substantial proportion of its turnover. This creates an exposure to a reduction in turnover if a contract was lost. The group continues to mitigate this risk by growing its customer base and working with new sectors.

Approved by the Board on 05/08/2021 and signed on its behalf by:



N J Churchward  
Company secretary

# Emblem Holdings Limited

## Directors' Report

### Year Ended 31 March 2021

The directors present their report and the consolidated financial statements for the year ended 31 March 2021.

#### Directors of the group

The directors who held office during the year were as follows:

J G Richardson

D J Richardson

N J Churchward

#### Dividends

The directors recommend a final dividend of £nil per share be made in respect of the financial year ended 31 March 2021 (2020: £nil). An interim dividend of £nil has been paid in respect of the financial year ended 31 March 2021 (2020: £600,000).

#### Financial instruments

##### *Objectives and policies*

The group's principal financial instruments comprise bank balances, trade creditors, trade debtors, intercompany balances and hire purchase agreements. The main purpose of these instruments is to provide funds for the group's operations.

The group's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk. These are dealt with as follows:

##### *Cash flow risk*

The group's activities expose it to the financial risks of changes in foreign currency exchange rates. The group regularly monitors the position and the need for any hedging instruments.

##### *Credit risk*

The group's principal financial assets are bank balances, trade and other receivables.

The group's credit risk is primarily attributable to its trade debtors. Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. To manage this risk the group performs credit checks on new customers, puts credit limits in place, actively manages its customer ledger and has a credit insurance policy in place. The directors believe sufficient controls are in place to keep credit risk exposure to a minimum.

##### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group has an invoice discounting facility in place which has room for further draw-down.

#### Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

# Emblem Holdings Limited

## Directors' Report

Year Ended 31 March 2021

Approved by the Board on 05/08/2021 and signed on its behalf by:



N J Churchward  
Company secretary

## **Emblem Holdings Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements 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; 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.

## **Emblem Holdings Limited**

### **Independent Auditor's Report to the Members of Emblem Holdings Limited**

#### **Opinion**

We have audited the financial statements of Emblem Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2021 and of the group's 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 group 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 original financial statements were 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.

#### **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.



## **Emblem Holdings Limited**

### **Independent Auditor's Report to the Members of Emblem Holdings Limited**

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.

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

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Emblem Holdings Limited**

### **Independent Auditor's Report to the Members of Emblem Holdings Limited**

#### **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.

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 obtained an understanding of the legal and regulatory framework applicable to the holding company and the group and the industry in which the group operates. We identified the principal risks of non-compliance with laws and regulations as relating to breaches around IR35 legislation, health and safety and GDPR. We also considered other laws and regulations that have a direct impact on the preparation of the financial statements, such as The Companies Act 2006 and relevant tax legislation (Corporation Tax, VAT, claims made under the Coronavirus Job Retention Scheme, etc.). We considered the extent to which any non-compliance with these laws and regulations may have on the group's ability to continue trading and the risk of a material misstatement in the financial statements. We also evaluated the risk of misstatement of profit, including management bias in accounting estimates.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following;

- We made enquires of senior management as to their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of fraud, of which there were none.
- We identified the individuals with responsibility for ensuring the group complies with laws and regulations and discussed with them the procedures and policies in place.
- Discussed with the health and safety officer if any incidents have been reported during the year under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ("RIDDOR").
- We reviewed the group's procedures in relation to identifying IR35 issues as a result of the use of contractors.
- We reviewed minutes of meetings of senior management and those charges with governance.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- We tested on a sample basis the accuracy of claims submitted under the Coronavirus Job Retention Scheme.

## Emblem Holdings Limited

### Independent Auditor's Report to the Members of Emblem Holdings Limited

- We audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Glenn Nicol (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Centenary House  
Peninsula Park  
Rydon Lane  
Exeter  
EX2 7XE

Date: 10 August 2021

## Emblem Holdings Limited

### Consolidated Profit and Loss Account Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	26,505,260	29,803,507
Cost of sales		<u>(23,343,665)</u>	<u>(26,330,381)</u>
Gross profit		3,161,595	3,473,126
Administrative expenses		<u>(2,717,266)</u>	<u>(2,915,284)</u>
Other operating income	4	<u>255,414</u>	<u>-</u>
Operating profit	5	<u>699,743</u>	<u>557,842</u>
Other interest receivable and similar income	9	-	20
Interest payable and similar expenses	10	<u>(109,935)</u>	<u>(176,450)</u>
		<u>(109,935)</u>	<u>(176,430)</u>
Profit before tax		589,808	381,412
Tax on profit	11	<u>(155,138)</u>	<u>(119,943)</u>
Profit for the financial year		<u>434,670</u>	<u>261,469</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>434,670</u>	<u>261,469</u>

The group has no recognised gains or losses for the year other than the results above.


# Emblem Holdings Limited

## Consolidated Balance Sheet

31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	875,989	1,068,513
Tangible assets	13	<u>384,446</u>	<u>525,668</u>
		<u>1,260,435</u>	<u>1,594,181</u>
<b>Current assets</b>			
Debtors	15	6,008,422	6,604,571
Cash at bank and in hand		<u>1,004,260</u>	<u>517,749</u>
		7,012,682	7,122,320
<b>Creditors: Amounts falling due within one year</b>	17	<u>(5,751,439)</u>	<u>(6,510,145)</u>
<b>Net current assets</b>		<u>1,261,243</u>	<u>612,175</u>
<b>Total assets less current liabilities</b>		2,521,678	2,206,356
<b>Creditors: Amounts falling due after more than one year</b>	17	(754,976)	(848,324)
<b>Provisions for liabilities</b>	20	<u>13,000</u>	<u>(13,000)</u>
<b>Net assets</b>		<u>1,779,702</u>	<u>1,345,032</u>
<b>Capital and reserves</b>			
Called up share capital	22	100	100
Capital redemption reserve		1,285,000	1,214,000
Profit and loss account		<u>494,602</u>	<u>130,932</u>
<b>Equity attributable to owners of the company</b>		<u>1,779,702</u>	<u>1,345,032</u>
<b>Total equity</b>		<u>1,779,702</u>	<u>1,345,032</u>

Approved and authorised by the Board on 25/08/2021 and signed on its behalf by:

  
D J Richardson  
Director

  
N J Churchward  
Director

Company Registration Number: 5587195


# Emblem Holdings Limited

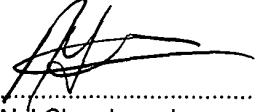
## Balance Sheet

31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	14	4,324,685	4,324,685
<b>Current assets</b>			
Debtors	15	1,664,641	1,380,977
<b>Creditors: Amounts falling due within one year</b>	17	<u>(4,232,139)</u>	<u>(3,736,609)</u>
<b>Net current liabilities</b>		<u>(2,567,498)</u>	<u>(2,355,632)</u>
<b>Total assets less current liabilities</b>		1,757,187	1,969,053
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(307,608)</u>	<u>(598,608)</u>
<b>Net assets</b>		<u>1,449,579</u>	<u>1,370,445</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Capital redemption reserve		1,285,000	1,214,000
Profit and loss account		<u>164,479</u>	<u>156,345</u>
<b>Total equity</b>		<u>1,449,579</u>	<u>1,370,445</u>

Approved and authorised by the Board on 05/03/2021 and signed on its behalf by:

  
 .....  
 D J Richardson  
 Director

  
 .....  
 N J Churchward  
 Director

Company Registration Number: 5587195

The company made a profit after tax for the financial year of £79,134 (2020 - profit of £636,925).

## Emblem Holdings Limited

### Consolidated Statement of Changes in Equity

Year Ended 31 March 2021

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2020.	100	1,214,000	130,932	1,345,032
Profit for the year	-	-	434,670	434,670
Total comprehensive income	-	-	434,670	434,670
Other capital redemption reserve movements	-	71,000	(71,000)	-
At 31 March 2021	100	1,285,000	494,602	1,779,702
	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2019	100	1,194,000	489,463	1,683,563
Profit for the year	-	-	261,469	261,469
Total comprehensive income	-	-	261,469	261,469
Dividends	-	-	(600,000)	(600,000)
Other capital redemption reserve movements	-	20,000	(20,000)	-
At 31 March 2020	100	1,214,000	130,932	1,345,032

## Emblem Holdings Limited

### Statement of Changes in Equity

Year Ended 31 March 2021

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2020	100	1,214,000	156,345	1,370,445
Profit for the year	-	-	79,134	79,134
Total comprehensive income	-	-	79,134	79,134
Other capital redemption reserve movements	-	71,000	(71,000)	-
At 31 March 2021	100	1,285,000	164,479	1,449,579

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2019	100	1,194,000	139,420	1,333,520
Profit for the year	-	-	636,925	636,925
Total comprehensive income	-	-	636,925	636,925
Dividends	-	-	(600,000)	(600,000)
Other capital redemption reserve movements	-	20,000	(20,000)	-
At 31 March 2020	100	1,214,000	156,345	1,370,445



# Emblem Holdings Limited

## Consolidated Statement of Cash Flows

Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		434,670	261,469
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	338,179	343,746
Loss/(profit) on disposal of tangible assets		21,067	(16,203)
Finance income	9	-	(20)
Finance costs	10	109,935	176,450
Income tax expense	11	155,138	119,943
		<u>1,058,989</u>	<u>885,385</u>
Working capital adjustments			
Decrease in trade debtors	15	597,320	808,137
(Decrease)/increase in trade creditors	17	(139,897)	424,056
Cash generated from operations		1,516,412	2,117,578
Income taxes paid	11	(318,838)	(80,517)
Net cash flow from operating activities		<u>1,197,574</u>	<u>2,037,061</u>
<b>Cash flows from investing activities</b>			
Interest received		-	20
Acquisitions of tangible assets		(120,000)	(321,814)
Proceeds from sale of tangible assets		94,500	150,100
Net cash flows from investing activities		<u>(25,500)</u>	<u>(171,694)</u>
<b>Cash flows from financing activities</b>			
Interest paid	10	(91,315)	(153,192)
Proceeds from bank borrowing draw downs		300,000	-
Repayment of other borrowing		(220,000)	(177,000)
Redemption of shares classified as liabilities	22	(71,000)	(20,000)
New finance lease loans		120,000	232,748
Payments to finance lease creditors		(190,354)	(160,605)
Interest on preference shares		(18,620)	(23,258)
Dividends paid	23	-	(600,000)
Net cash flows from financing activities		<u>(171,289)</u>	<u>(901,307)</u>
Net increase in cash and cash equivalents		1,000,785	964,060
Cash and cash equivalents at 1 April		<u>(2,066,386)</u>	<u>(3,030,446)</u>
Cash and cash equivalents at 31 March		<u>(1,065,601)</u>	<u>(2,066,386)</u>

The notes on pages 16 to 30 form an integral part of these financial statements.

# **Emblem Holdings Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2021**

### **1 General information**

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

The address of its principal and registered office is:

Emblem House  
Pynes Hill  
Exeter  
EX2 5FD

### **2 Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historic cost convention and in accordance with the recognition and measurement requirements of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The presentational currency is considered to be pounds sterling as that is the primary economic environment in which the group operates.

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2021.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

#### **Summary of significant accounting policies and key accounting estimates**

The directors have considered the judgements and estimation uncertainties included in these financial statements and the accounting policies applied and concluded that these do not have a significant effect on the amounts recognised in the financial statements or lead to a risk of causing a material misstatement of the carrying amounts of assets and liabilities within the next financial year. 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 if the revision affects that period only, or in the period of revision and future periods if the revision affects both current and future periods.

#### **Summary of disclosure exemptions**

The Company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to company financial instruments and the company cash flow statement.

# **Emblem Holdings Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2021**

### **Going concern**

The group meets its day to day working capital requirements through its bank facilities. The banking relationship with NatWest remains strong, and in particular the group's invoice discounting facility remains in place and allows the group to convert sales into cash more quickly where required.

The directors have considered the financial projections for the group, including cash flow forecasts and the availability of committed bank facilities for a period of at least 12 months from the date of approval of these financial statements. Following this review and having made all necessary enquiries, based on the information available to date the directors are satisfied that the group is expected to maintain sufficient cash balances to meet its liabilities as they fall due. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

### **Revenue recognition**

Turnover is the aggregate amount of revenue from consultancy work and other services supplied to customers in the ordinary course of business and is stated after trade discounts, other sales taxes and net of VAT. Consultancy revenue is recognised as earned through the placement of consultants. Other revenues are taken to the statement of income and retained earnings account as earned.

### **Government grants**

During the year the Group recognised Coronavirus Job Retention Scheme ("CJRS") grant income from the Government designed to mitigate the impact of COVID19. The Group accounts for such grants under the accruals model as permitted by FRS102. Grants of a revenue nature are recognised in 'other income' within profit or loss in the same period as the related expenditure.

### **Foreign currency transactions and balances**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the operating profit.

### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less in the future have occurred at the balance sheet date.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the period in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

# Emblem Holdings Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### Depreciation

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

Asset class	Depreciation method and rate
Leasehold Improvements	Over the remaining lease term
Fixtures & Fittings	33% reducing balance
Motor vehicles	25% reducing balance
Equipment	15% reducing balance

### Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

### Amortisation

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

Asset class	Amortisation method and rate
Goodwill	5% straight line

### Investments

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

### Cash and cash equivalents

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

### Leases

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

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the the statement of income and retained earnings at a constant rate of charge on the balance of capital repayments outstanding.

### Defined contribution pension obligation

The group operates a defined contribution pension scheme. Contributions are recognised in the statement of income and retained earnings in the period in which they become payable in accordance with the rules of the scheme.

# Emblem Holdings Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### Financial instruments

Financial assets and financial liabilities are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets, which comprise trade debtors, other debtors and cash at bank balances, are initially measured at transaction price (including transaction costs) and are subsequently measured at the undiscounted amount receivable.

Financial liabilities which comprise trade creditors, other creditors and short term intercompany balances are initially measured at transaction price (including transaction costs) and are subsequently measured at the undiscounted amount payable. Long term financial liabilities which comprise redeemable preference shares and other borrowings are measured at amortised cost.

### 3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Sale of consultancy work and services	<u>26,505,260</u>	<u>29,803,507</u>

The analysis of the group's turnover for the year by market is as follows:

	2021 £	2020 £
UK	18,756,789	21,592,300
Overseas	<u>7,748,471</u>	<u>8,211,207</u>
	<u>26,505,260</u>	<u>29,803,507</u>

### 4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021 £	2020 £
Government grants	237,414	-
Sub lease rental income	<u>18,000</u>	<u>-</u>
	<u>255,414</u>	<u>-</u>

## Emblem Holdings Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 5 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	145,655	151,222
Amortisation expense	192,524	192,524
Foreign exchange gains	(33,602)	(25,017)
Operating lease expense - property	87,000	139,234
Loss/(profit) on disposal of property, plant and equipment	<u>21,067</u>	<u>(16,203)</u>

#### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	1,651,423	1,711,984
Social security costs	201,979	221,170
Pension costs, defined contribution scheme	<u>41,228</u>	<u>41,385</u>
	<u>1,894,630</u>	<u>1,974,539</u>

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

	2021 No.	2020 No.
Administration and support	11	11
Sales	<u>16</u>	<u>20</u>
	<u>27</u>	<u>31</u>

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	466,289	482,389
Contributions paid to money purchase schemes	<u>20,150</u>	<u>18,333</u>
	<u>486,439</u>	<u>500,722</u>

## Emblem Holdings Limited

### Notes to the Financial Statements

#### Year Ended 31 March 2021

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	397,213	413,213
Company contributions to money purchase pension schemes	<u>10,000</u>	<u>9,167</u>

#### 8 Auditor's remuneration

	2021 £	2020 £
Audit of these financial statements	3,500	4,000
Audit of the financial statements of subsidiaries of the company	19,000	19,500
	<u>22,500</u>	<u>23,500</u>

#### 9 Other interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	<u>-</u>	<u>20</u>

#### 10 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	51,245	92,002
Interest on preference shares	18,620	23,258
Interest on obligations under finance leases and hire purchase contracts	16,923	19,910
Interest expense on other finance liabilities	<u>23,147</u>	<u>41,280</u>
	<u>109,935</u>	<u>176,450</u>

# Emblem Holdings Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 11 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	183,000	121,000
UK corporation tax adjustment to prior periods	<u>(1,862)</u>	<u>(1,057)</u>
	181,138	119,943
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(26,000)</u>	<u>-</u>
Tax expense in the income statement	<u>155,138</u>	<u>119,943</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>589,808</u>	<u>381,412</u>
Corporation tax at standard rate	112,064	72,468
Effect of expense not deductible in determining taxable profit (tax loss)	44,572	45,268
Increase in UK current tax from unrecognised temporary difference from a prior period	263	1,795
Decrease in UK and foreign current tax from adjustment for prior periods	(676)	(804)
Tax increase from effect of capital allowances and depreciation	99	117
Other tax effects for reconciliation between accounting profit and tax expense	<u>(1,184)</u>	<u>1,099</u>
Total tax charge	<u>155,138</u>	<u>119,943</u>



# Emblem Holdings Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 12 Intangible assets

#### Group

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 April 2020	3,850,487	3,850,487
At 31 March 2021	3,850,487	3,850,487
<b>Amortisation</b>		
At 1 April 2020	2,781,974	2,781,974
Amortisation charge	192,524	192,524
At 31 March 2021	2,974,498	2,974,498
<b>Carrying amount</b>		
At 31 March 2021	875,989	875,989
At 31 March 2020	1,068,513	1,068,513

### 13 Tangible assets

#### Group

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2020	380,366	706,267	271,942	1,358,575
Additions	-	120,000	-	120,000
Disposals	-	(184,678)	-	(184,678)
At 31 March 2021	380,366	641,589	271,942	1,293,897
<b>Depreciation</b>				
At 1 April 2020	324,997	242,318	265,592	832,907
Charge for the year	14,983	129,720	952	145,655
Eliminated on disposal	-	(69,111)	-	(69,111)
At 31 March 2021	339,980	302,927	266,544	909,451
<b>Carrying amount</b>				
At 31 March 2021	40,386	338,662	5,398	384,446
At 31 March 2020	55,369	463,949	6,350	525,668

# Emblem Holdings Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### Hire purchase agreements

Included within the net book value of tangible fixed assets is £321,271 (2020: £479,479) in respect of assets held under hire purchase agreements. Depreciation for the year on these assets was £107,094 (2020: £139,189).

### 14 Investments

#### Group

#### Details of undertakings

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2021	2020
<b>Subsidiary undertakings</b>				
Emblem International Limited	England and Wales*	Ordinary shares	100%	100%
W A Consultants	England and Wales*	Ordinary shares	100%	100%

The principal activity of Emblem International Limited is that of an intermediate holding company.

The principal activity of W A Consultants is that of employment consultants.

\*The registered office of the subsidiaries is the same as that of the parent company.

#### Company

	2021 £	2020 £
Investments in subsidiaries	<u>4,324,685</u>	<u>4,324,685</u>
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 April 2020		<u>4,324,685</u>
At 31 March 2021		<u>4,324,685</u>
<b>Carrying amount</b>		
At 31 March 2021		<u>4,324,685</u>
At 31 March 2020		<u>4,324,685</u>

## Emblem Holdings Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 15 Debtors

	2021 £	Group 2020 £	2021 £	Company 2020 £
Trade debtors	2,757,968	3,574,044	-	-
Other debtors	1,435,901	1,158,564	1,393,696	1,111,203
Prepayments	1,543,608	1,602,189	-	-
Corporation tax	270,945	269,774	270,945	269,774
Total current trade and other debtors	<u>6,008,422</u>	<u>6,604,571</u>	<u>1,664,641</u>	<u>1,380,977</u>

#### 16 Cash and cash equivalents

	2021 £	Group 2020 £	2021 £	Company 2020 £
Cash on hand	591	633	-	-
Cash at bank	<u>1,003,669</u>	<u>517,116</u>	<u>-</u>	<u>-</u>
	1,004,260	517,749	-	-
Bank overdrafts	<u>(2,069,861)</u>	<u>(2,584,135)</u>	<u>(360,110)</u>	<u>(252,421)</u>
Cash and cash equivalents in statement of cash flows	<u>(1,065,601)</u>	<u>(2,066,386)</u>	<u>(360,110)</u>	<u>(252,421)</u>

# Emblem Holdings Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 17 Creditors

	Note	2021 £	Group 2020 £	2021 £	Company 2020 £
<b>Due within one year</b>					
Loans and borrowings	18	2,214,064	2,696,344	360,110	252,421
Trade creditors		1,063,583	1,464,630	-	-
Amounts due to group undertakings	26	-	-	3,579,119	3,179,802
Social security and other taxes		262,861	318,701	190,043	-
Other creditors		182,050	203,996	100,867	101,857
Accrued expenses		1,845,881	1,506,945	2,000	4,000
Corporation tax	11	183,000	319,529	-	198,529
		<u>5,751,439</u>	<u>6,510,145</u>	<u>4,232,139</u>	<u>3,736,609</u>
<b>Due after one year</b>					
Loans and borrowings	18	<u>754,976</u>	<u>848,324</u>	<u>307,608</u>	<u>598,608</u>

### 18 Loans and borrowings

	2021 £	Group 2020 £	2021 £	Company 2020 £
<b>Current loans and borrowings</b>				
Bank borrowings	30,000	-	-	-
Bank overdrafts	2,069,861	2,584,135	360,110	252,421
Hire purchase contracts	114,203	112,209	-	-
	<u>2,214,064</u>	<u>2,696,344</u>	<u>360,110</u>	<u>252,421</u>

	2021 £	Group 2020 £	2021 £	Company 2020 £
<b>Non-current loans and borrowings</b>				
Bank borrowings	270,000	-	-	-
Redeemable preference shares	215,000	286,000	215,000	286,000
Other borrowings	92,608	312,608	92,608	312,608
HP and finance lease liability 1 (2-5yrs)	177,368	249,716	-	-
	<u>754,976</u>	<u>848,324</u>	<u>307,608</u>	<u>598,608</u>

## Emblem Holdings Limited

### Notes to the Financial Statements

#### Year Ended 31 March 2021

Bank overdrafts are secured on the assets of the group. Finance lease liabilities are secured on the related fixed assets.

The bank borrowings relate to a £300,000 bank loan facility agreed during 2020 under the Coronavirus Business Interruption Loan Scheme. The term of the loan is six years and carries an interest rate of 2.53% plus Bank of England Base Rate.

Other borrowings comprise 9% loan notes to be redeemed no later than 31 October 2025.

#### 19 Obligations under leases and hire purchase contracts

##### Group

##### Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	87,000	87,000
Later than one year and not later than five years	348,000	43,500
Later than five years	43,500	-
	<u>478,500</u>	<u>130,500</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £87,000 (2020 - £139,234).

#### 20 Deferred tax

##### Group

	Deferred tax £
At 1 April 2020	13,000
Increase (decrease) in existing provisions	<u>(26,000)</u>
At 31 March 2021	<u>(13,000)</u>

#### 21 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £41,228 (2020 - £41,385).

## Emblem Holdings Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 22 Share capital

##### Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	100	100	100	100
8% Cumulative Redeemable Preference Shares of £1 each	215,000	215,000	286,000	286,000
	<u>215,100</u>	<u>215,100</u>	<u>286,100</u>	<u>286,100</u>

#### 23 Dividends

##### Interim dividends paid

	2021 £	2020 £
Interim dividend of £Nil (2020 - £6,000) per each ordinary share	<u>-</u>	<u>600,000</u>

#### 24 Contingent liabilities

##### Group

Emblem Holdings Limited, Emblem International Limited and W A Consultants have provided a cross guarantee to support the bank loans and overdrafts of the group. At 31 March 2021, the group had aggregate bank overdrafts and loans of £2,369,861 (2020: £2,584,135).

# Emblem Holdings Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 25 Financial instruments

#### Group

#### Categorisation of financial instruments

	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost	5,326,504	5,716,765
Financial liabilities measured at amortised cost	(5,648,696)	(6,237,720)

### 26 Related party transactions

#### Group

#### Transactions with directors

	At 1 April 2020 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	At 31 March 2021 £
<b>2021</b>					
<b>D J Richardson</b>					
	831,072	308,805	-	-	1,139,877
	<u>831,072</u>	<u>308,805</u>	<u>-</u>	<u>-</u>	<u>1,139,877</u>
<b>J G Richardson</b>					
	84,723	160,409	(127,082)	-	118,050
	<u>84,723</u>	<u>160,409</u>	<u>(127,082)</u>	<u>-</u>	<u>118,050</u>
<b>N J Churchward</b>					
	185,184	153,287	(202,702)	-	135,769
	<u>185,184</u>	<u>153,287</u>	<u>(202,702)</u>	<u>-</u>	<u>135,769</u>

# Emblem Holdings Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

	At 1 April 2019 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	At 31 March 2020 £
<b>2020</b>					
<b>D J Richardson</b>					
	691,214	612,578	(472,720)	-	831,072
	<u>691,214</u>	<u>612,578</u>	<u>(472,720)</u>	<u>-</u>	<u>831,072</u>
<b>J G Richardson</b>					
	114,871	170,110	(200,258)	-	84,723
	<u>114,871</u>	<u>170,110</u>	<u>(200,258)</u>	<u>-</u>	<u>84,723</u>
<b>N J Churchward</b>					
	182,667	255,244	(252,727)	-	185,184
	<u>182,667</u>	<u>255,244</u>	<u>(252,727)</u>	<u>-</u>	<u>185,184</u>

### Summary of transactions with other related parties

During the year Emblem International Limited leased premises from the pension scheme of Mr J G Richardson, a director of the parent company.

During the year the group paid rent on these premises in the amount of £87,000 (2020: £87,000). At 31 March 2021 the balance due to Mr J G Richardson's pension scheme was £nil (2020: £nil).

### 27 Analysis of changes in net debt

#### Group

	At 1 April 2020 £	Cash flow £	Other non cash changes £	At 31 March 2021 £
Cash at bank and on hand	517,749	486,511	-	1,004,260
Bank overdrafts	(2,484,135)	414,274	-	(2,069,861)
Cash and cash equivalents	(1,966,386)	900,785	-	(1,065,601)
Bank borrowings	-	(300,000)	-	(300,000)
Finance lease liabilities	(361,925)	70,354	-	(291,571)
Other borrowings	(412,608)	220,000	-	(192,608)
Net debt	<u>(2,740,919)</u>	<u>891,139</u>	<u>-</u>	<u>(1,849,780)</u>