
Directors' report and financial statement

JCW Search Limited

For the year ended: 31 December 2019

Company registration number: 06072193

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JCW SEARCH LIMITED

COMPANY INFORMATION

Director	J C W Woods
Company secretary	C H Woods
Registered number	06072193
Registered office	3rd Floor 27-32 Old Jewry London EC2R 8 DQ
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Pennant House 1-2 Napier Court Reading RG1 8BW
Bankers	Lloyds Bank PLC 1 Legg Street Chelmsford Essex CM1 1JS
Solicitors	Morrison's Solicitors Cleary Court 169 Church Street East Woking Surrey GU21 6HJ

JCW SEARCH LIMITED

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JCW SEARCH LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Business review

JCW Search is a staffing and recruitment business operating within Financial Service and Life Science markets with a primary focus on Risk, Compliance, Audit, Change and Technology.

We are pleased to deliver our financial results for the year ended 31 December 2019. During 2019 JCW Search delivered an operating profit of £998,367, an 88% increase on the previous year. This was aided by redistribution of headquarters costs across other businesses linked by common ownership.

Principal risks and uncertainties

Interest rates

The company uses a single source of working capital funding by invoice discounting. The existence of this source of funding exposes the company to interest rates risks.

Fluctuations in currency exchange rates

Due to trade in Europe and US the company is exposed to foreign currency fluctuations. The company manages its exchange exposure by maintaining foreign currency bank accounts to receive cash and transfers funds into its GBP account at favourable rates to reduce the exposure.

Liquidity risk

The company actively maintains an appropriate level of liquidity through a suitable amount of cash in hand and an invoice discounting facility. JCW Search Limited also has other liquid companies linked by common ownership providing additional funding should it be required.

Credit Risk

Principal assets within the business are cash and debtors. Credit risk associated is limited due to the client spread which is largely blue-chip advisory firms and banks. To maintain credit risk all clients are routinely credit checked and aged debt reports are reviewed weekly by the Director.

Political

The vote for Britain to leave the European Union has created uncertainty in our markets which we believe has negatively impacted the recruitment in our sectors. We have already actioned a push towards an increased non-UK European client base and will continue to monitor the situation in the UK.

Financial key performance indicators

Management use the following key performance indicators to assess the performance of the company:

- Contract GP* (gross profit).
- Permanent placement GP.
- Sales, GP and EBIT growth versus prior year.
- Sales, GP and EBIT** growth versus budget.
- EBIT and EBIT margin.

*Gross profit

** Earnings Before Interest and Tax

JCW SEARCH LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Coronavirus

At the date of approval of the annual report and financial statements there remains considerable uncertainty in relation to the future impact that the Coronavirus pandemic will have on the Global economy, and on JCW Search Limited in particular.

The Board's view is that the principal risk of the Coronavirus crisis to the Company is that a significant number of customers stop, or severely delay, payments to the Company. The Board has, therefore, taken immediate measures which will conserve cash resources for the Company and it is monitoring the emerging situation closely on a day to day basis. The Board has a range of significant further mitigating actions that can be taken to fully maintain the Company's operating capabilities and to enable it to meet its future liabilities as they fall due.

The potential impacts of the Coronavirus crisis are set out in more detail in note 26 of the financial statements.

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



J C W Woods
Director

Date: 15/10/2020

JCW SEARCH LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The director presents his report and the financial statements for the year ended 31 December 2019.

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's 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 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 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to enable him 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.

Principal activity

The company principal activity is that of a recruitment company.

Results and dividends

The profit for the year, after taxation, amounted to £769,263 (2018 - £344,833).

During the year the company made dividend payments of £173,524 (2018 - £218,152).

Director

The director who served during the year was:

J C W Woods

Future developments

In the coming 12 months we expect the business to maintain current headcount levels but adjust our new business focus to the whole of Europe. We do not expect this to be an overnight success but by the end of 2020 we fully expect to have created the foundations to operate all over the continent insulating against our predominantly UK market risk. We are confident this is a viable decision based on our financial position and believe it will present the opportunity for growth in the future.

JCW SEARCH LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- 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 auditors are aware of that information.

Post balance sheet events

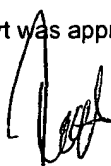
As referred to in page 2 of the Strategic Report, there is considerable uncertainty around the possible impacts of the Coronavirus on both the Company and the entire Global economy. The potential impacts of the Coronavirus and the mitigating actions being taken are set out in more detail in note 26 of the Financial Statements.

The Directors consider it applicable to prepare the Financial Statements on a going concern basis. In reaching this conclusion, the Directors have considered the financial projections of the Company for the foreseeable future, which covers a period of at least 12 months from the date of signing the Financial Statements.

Auditors

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



J C W Woods
Director

Date: 15/10/2020

JCW SEARCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JCW SEARCH LIMITED

Opinion

We have audited the financial statements of JCW Search Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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

JCW SEARCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JCW SEARCH LIMITED (CONTINUED)

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 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 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.

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 directors

As explained more fully in the Director's Responsibilities Statement on page 3, 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 have no realistic alternative but to do so.

JCW SEARCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JCW SEARCH LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 Auditors' Report.

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

Jason Mitchell MBA BSc FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Pennant House
1-2 Napier Court
Reading
RG1 8BW

Date: 27 October 2020

JCW SEARCH LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	13,467,158	16,118,915
Cost of sales		(9,486,594)	(11,178,444)
Gross profit		3,980,564	4,940,471
Administrative expenses		(3,797,535)	(4,750,946)
Other operating income	5	815,338	341,954
Operating profit	6	998,367	531,479
Interest and similar charges	10	(44,125)	(95,210)
Profit before tax		954,242	436,269
Tax on profit	11	(184,979)	(91,436)
Profit after tax		769,263	344,833
Retained earnings at the beginning of the year		294,728	168,047
Profit for the year		769,263	344,833
Dividends declared and paid		(173,524)	(218,152)
Retained earnings at the end of the year		890,467	294,728

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

The notes on pages 12 to 26 form part of these financial statements.

JCW SEARCH LIMITED
REGISTERED NUMBER: 06072193

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	203,551	79,121
Investments	14	10,000	10,000
		<u>213,551</u>	<u>89,121</u>
Current assets			
Debtors: amounts falling due within one year	15	3,703,769	2,758,794
Cash at bank and in hand	16	323,035	349,532
		<u>4,026,804</u>	<u>3,108,326</u>
Creditors: amounts falling due within one year	17	(3,338,380)	(2,890,054)
Net current assets		<u>688,424</u>	<u>218,272</u>
Total assets less current liabilities		<u>901,975</u>	<u>307,393</u>
Provisions for liabilities			
Deferred tax	19	(11,408)	(12,565)
		<u>(11,408)</u>	<u>(12,565)</u>
Net assets		<u><u>890,567</u></u>	<u><u>294,828</u></u>
Capital and reserves			
Called up share capital	20	100	100
Profit and loss account	21	890,467	294,728
		<u>890,567</u>	<u>294,828</u>

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


J C W Woods
 Director

Date: 15/10/2020

The notes on pages 12 to 26 form part of these financial statements.

JCW SEARCH LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	769,263	344,833
Adjustments for:		
Depreciation of tangible assets	21,105	23,361
Interest paid	72,287	77,840
Taxation charge	184,979	91,436
(Increase)/decrease in debtors	(949,316)	92,979
Decrease/(increase) in amounts owed by groups	22,674	(112,615)
(Decrease)/increase in creditors	(10,244)	40,740
Corporation tax (paid)	(90,982)	(11,872)
Net cash generated from operating activities	<u>19,766</u>	<u>546,702</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(145,535)	(32,067)
Purchase of unlisted and other investments	-	(10,000)
Net cash from investing activities	<u>(145,535)</u>	<u>(42,067)</u>
Cash flows from financing activities		
Movements on invoice discounting	345,083	(54,968)
Dividends paid	(173,524)	(218,152)
Interest paid	(72,287)	(77,840)
Net cash used in financing activities	<u>99,272</u>	<u>(350,960)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(26,497)</u>	<u>153,675</u>
Cash and cash equivalents at beginning of year	349,532	195,857
Cash and cash equivalents at the end of year	<u><u>323,035</u></u>	<u><u>349,532</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>323,035</u></u>	<u><u>349,532</u></u>

The notes on pages 12 to 26 form part of these financial statements.

JCW SEARCH LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2019

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	349,532	(26,497)	323,035
Invoice factoring	(1,537,351)	(345,083)	(1,882,434)
Debt due within 1 year	(71,829)	20,607	(51,222)
	<u>(1,259,648)</u>	<u>(350,973)</u>	<u>(1,610,621)</u>

The notes on pages 12 to 26 form part of these financial statements.

JCW SEARCH LIMITED

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

1. General information

JCW Search Limited is a Company incorporated in England and Wales under the Companies Act. The address of the registered office and the Company number are given on the Company information page.

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 COVID-19 pandemic and the ensuing economic shutdown has had some impact on the company's operations. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts. Further details can be found in note 26.

2.3 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.

JCW SEARCH LIMITED

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

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

2.6 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 Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

2.8 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.

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

Depreciation is provided on the following basis:

Short-term leasehold property	-	20% Straight line
Fixtures and fittings	-	25% Reducing balance
Computer equipment	-	25% Reducing balance

2.9 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

JCW SEARCH LIMITED

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

2. Accounting policies (continued)

2.10 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.

2.11 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.12 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.

2.13 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 Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

JCW SEARCH LIMITED

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

2. Accounting policies (continued)

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the times when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impaired assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(ii) Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of receivables, past experience of recoverability, and the credit profile of individuals or groups of customers.

4. Turnover

The whole of the turnover is attributable to the provision of recruitment services

All turnover arose within the United Kingdom.

JCW SEARCH LIMITED

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

5. Other operating income

	2019 £	2018 £
Management charges	815,338	341,954
	<u>815,338</u>	<u>341,954</u>

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Other operating lease rentals	112,538	168,022
	<u>112,538</u>	<u>168,022</u>

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,800	9,500
	<u>9,800</u>	<u>9,500</u>
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	2,600	2,500
All other services	1,550	1,750
	<u>4,150</u>	<u>4,250</u>

JCW SEARCH LIMITED

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

8. Employees

Staff costs, including director's remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	2,229,866	2,845,889
Social security costs	282,397	415,230
Cost of defined contribution scheme	41,848	22,285
	<u>2,554,111</u>	<u>3,283,404</u>

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

	2019 No.	2018 No.
Directors	1	1
Staff	52	55
	<u>53</u>	<u>56</u>

9. Director's remuneration

	2019 £	2018 £
Director's emoluments	<u>11,000</u>	<u>11,000</u>

10. Interest and similar charges

	2019 £	2018 £
Foreign exchange (gains)/losses	(28,162)	17,370
Factoring service charges	24,152	31,363
Factoring interest	48,135	46,477
	<u>44,125</u>	<u>95,210</u>

JCW SEARCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	186,243	91,089
Adjustments in respect of previous periods	(107)	-
Deferred tax		
Origination and reversal of timing differences	(1,157)	505
Adjustment in respect of prior periods	-	(158)
Taxation on profit on ordinary activities	<u>184,979</u>	<u>91,436</u>

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 £	2018 £
Profit on ordinary activities before tax	<u>954,242</u>	<u>436,269</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	181,306	82,891
Effects of:		
Expenses not deductible for tax purposes	3,644	10,181
Change in tax rate	-	(1,269)
Deferred tax recognised at a lower rate	136	(209)
Adjustments to tax charge in respect of prior periods	(107)	(158)
Total tax charge for the year	<u>184,979</u>	<u>91,436</u>

Factors that may affect future tax charges

A reduction to the UK corporation tax rate down from 19% to 17% was announced in the 2016 Budget and enacted on 15 September 2016 (to be effective from 1 April 2020). However, in the 2020 Budget it was announced that this reduction in rate would be reversed with 19% being maintained from 1 April 2020. This was substantively enacted on 20 March 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Dividends

	2019 £	2018 £
Dividends paid on ordinary shares	173,524	218,152
	<u>173,524</u>	<u>218,152</u>

13. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2019	8,681	94,342	109,220	212,243
Additions	106,014	24,750	14,771	145,535
At 31 December 2019	<u>114,695</u>	<u>119,092</u>	<u>123,991</u>	<u>357,778</u>
Depreciation				
At 1 January 2019	3,472	67,963	61,687	133,122
Charge for the year on owned assets	2,010	6,771	12,324	21,105
At 31 December 2019	<u>5,482</u>	<u>74,734</u>	<u>74,011</u>	<u>154,227</u>
Net book value				
At 31 December 2019	<u>109,213</u>	<u>44,358</u>	<u>49,980</u>	<u>203,551</u>
At 31 December 2018	<u>5,209</u>	<u>26,379</u>	<u>47,533</u>	<u>79,121</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2019	10,000
At 31 December 2019	<u>10,000</u>

Unlisted investments represent a minority shareholding in Core Consultants Group Ltd.

15. Debtors

	2019 £	2018 £
Trade debtors	2,464,137	1,982,728
Amounts owed by related parties	383,747	388,088
Other debtors	574,304	145,565
Prepayments and accrued income	281,581	242,413
	<u>3,703,769</u>	<u>2,758,794</u>

Trade debtors are subject to a sales finance agreement with the company's bank.

16. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	323,035	349,532
	<u>323,035</u>	<u>349,532</u>

JCW SEARCH LIMITED

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

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	93,115	75,645
Amounts owed to group undertakings	18,333	-
Corporation tax	186,243	91,089
Other taxation and social security	237,196	570,211
Proceeds of factored debts	1,882,434	1,537,351
Other creditors	263,988	72,172
Accruals and deferred income	657,071	543,586
	<u>3,338,380</u>	<u>2,890,054</u>

The sales ledger finance liability is secured by an all assets debenture dated 24 March 2011 giving fixed and floating charges over the company and its property and assets, both present and future.

18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at face value through profit or loss	323,035	349,532
Financial assets measured at amortised cost	3,529,171	2,599,638
	<u>3,852,206</u>	<u>2,949,170</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,784,426)</u>	<u>(2,228,754)</u>

Financial assets measured at face value through profit or loss comprise cash and bank balances.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors.

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

19. Deferred taxation

	2019 £
At beginning of year	(12,565)
Charged to profit or loss	1,157
At end of year	<u>(11,408)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(12,063)	(12,565)
Other short term timing differences	<u>655</u>	<u>-</u>

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100,000 (2018 - 100,000) Ordinary shares of £0.001 each	<u>100</u>	<u>100</u>

The Company has a share option scheme which is open to eligible employees at the discretion of the board. Options are exercisable at a price equal to the higher of the nominal value or market price of the Company's shares at the date of the grant.

In the scheme, the options vest on the shares of the Company being listed, sold or undergoing a reorganisation or at any time at the discretion of the board.

There were 14,000 options granted in the year under the Enterprise Management Incentive Scheme, with an exercise price of £8.65. All options were outstanding at the year end.

The fair values of the options were calculated using a Black-Scholes model. The inputs for the model were as follows:

Weighted average share price £1.04
Weighted average exercise price £8.65
Expected volatility 50%
Risk free rate 2%
Expected dividend yield Nil

The Company recognised no changes relating to equity-settled share-based payment transactions during the year as the results are considered immaterial in the context of these financial statements.

JCW SEARCH LIMITED

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

21. Reserves

Profit and loss account

This represents cumulative profits less any dividends paid.

22. Pension commitments

At the year end there was a pension liability of £8,976 (2018: £Nil) included in creditors.

23. Commitments

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

	2019 £	2018 £
Not later than 1 year	514,113	218,195
Later than 1 year and not later than 5 years	961,923	258,552
	<u>1,476,036</u>	<u>476,747</u>

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

24. Related party transactions

During the year the company paid dividends of £130,143 (2018: 163,615) to J C W Woods, the director of the company. During the year the company made advances of £342,830 (2018: £146,148) to J C W Woods and received repayments of £183,348 (2018: £171,699). Included in other debtors at the year end is an amount of £262,476 (2018: £102,994) owed by the director.

During the year the company paid dividends of £43,381 (2018: £54,537) to J Woods, the spouse of the director of the company.

During the year the company received management recharges of £633,538 (2018: £301,454) from JCW Inc, a company controlled by J C W Woods, for services provided. During the year the company recharged JCW Inc £456,593, (2018: 168,288) for costs incurred by the company on its behalf. At the year end JCW Inc owed the company £Nil (2018: £287,407), this balance is included in amounts due from related parties. At the year end the company owed JCW Inc. £18,334 (2018: "Nil), this balance is included in amounts due to related parties.

During the year the company received management recharges of £90,599 (2018: £40,500) from JCW GmbH, a company controlled by J C W Woods, for services provided. During the year the company recharged JCW GmbH £219,162 (2018: £80,617) for costs incurred by the company on its behalf. At the year end JCW GmbH owed the company £52,823 (2018: £24,081), this balance is included in amounts due from related parties.

During the year the company was charged £53,510 (2018: £44,444) by Cybernetic Inc, a company controlled by J C W Woods, for services provided. During the year the company recharged Cybernetic Inc £107,022 (2018: £58,670) for costs incurred by the company on its behalf. At the year end Cybernetic Inc owed the company £179,737 (2018: £19,205), this balance is included in amounts due from related parties.

During the year the company was charged £34,356 (2018: £29,630) by OutScout Inc, a company controlled by J C W Woods, for services provided. During the year the company recharged OutScout Inc £59,437 (2018: £87,025) for costs incurred by the company on its behalf. At the year end OutScout Inc owed the company £151,187 (2018: 57,395), this balance is included in amounts due from related parties

25. Controlling party

The ultimate controlling party is Mr J C W Woods by virtue of his directorship and majority shareholding.

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NOTES TO THE FINANCIAL STATEMENTS
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26. Post balance sheet events

On 11 March 2020, the World Health Organisation declared the Coronavirus outbreak (COVID-19) a pandemic. Following this, many countries that the Company operates in entered into varying degrees of government-imposed lockdowns to help contain COVID-19 and to prevent fatalities.

The Directors expect that the most significant impact of this pandemic on the Company will be on customers delaying or not paying for products and services provided by the Company. It is also expected that demand for services could reduce. It is not possible to quantify precisely the potential impacts of this, as disruption to the global economy on this scale has not been seen in recent history.

In order to protect the business, the Directors have taken a number of mitigating actions to ensure that the Company can continue in operation for the foreseeable future. These mitigating actions include the freezing of recruitment and a proportional reduction in staff costs, assisted where possible by government business support schemes. These proactive measures have been implemented so that the Company continues to have sufficient liquidity to meet its obligations as they fall due. The Directors continue to closely monitor the situation and have at their disposal a significant number of further mitigating actions that the Company could take if required to do so.

In view of the current COVID-19 crises, the Directors have also considered the carrying values of the Company's assets due to the potential impact on the future cash flows of the Company's. They have concluded that the long-term impacts of the COVID-19 do not result in a permanent diminution of value of the assets in the Company.