

Laurence Simons International (Holdings) Limited

Directors' report and financial statements
for the year ended 31 December 2016

Registered number: 06135827

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Strategic Report

For the year ended 31 December 2016

The Directors present their strategic report for the year ended 31 December 2016.

Principal activity

The principal activity of the Company is that of an investment and holding company. No change in the business of the Company is anticipated.

Business review

The Company is a wholly owned subsidiary of FiveTen Group Holdings Limited ('the Group') whose Directors manage the entire group including Laurence Simons International (Holdings) Limited.

The operating result after tax for the year was £nil (2015: nil). Net assets of the company at 31 December 2016 were £2,383,000 (2015: £2,383,000).

Principal risks

The principal risks to the Group's performance are increasing competition leading to pressure on margins, the resignation of established consultants who generate fees from clients through placing candidates, the lower productivity of new consultants hired to grow the business, the impact of lower demand for recruitment services arising from country-specific economic weakness and from economic cyclicalities and, in such circumstances, ongoing compliance with the Group's financial covenants. Additional risks include that growth is sufficiently strong to cause existing limits under the invoice discounting facilities to be exceeded and that the Group's banks decide to reduce or withdraw ancillary facilities including overdraft and invoice discounting facilities following the required notice period. The Directors closely monitor trends in KPIs such as performance versus budget and fee earner productivity, and are continuing to take appropriate actions in response to changing market conditions. The support of both the Group's banks and lead investor has provided the Group with the resources to continue to develop the Group's strategy.

Going concern

The Group's intentions over the next twelve months are to continuously support Laurence Simons International (Holdings) Limited and report as a going concern. The immediate parent company is FiveTen Acquisition Limited.

By order of the Board


Michael Joyce
Director

322 High Holborn
London, WC1V 7PB
30 June 2017

Directors' Report

for the year ended 31 December 2016

The Directors present their annual report for the year ended 31 December 2016

Likely future developments

The principal activity of the Company is that of an investment and holding company. No change in the business of the Company is anticipated.

Going concern

Please refer to the strategic report for details of going concern.

Dividends

The Directors do not recommend the payment of a dividend (2015: nil).

Political contributions

There were no political contributions made in the year (2015: nil).

Research and development activities

The Company has no research and development activities

Directors

Directors who served during the year were as follows:

Mark Carriban
Michael Joyce (appointed 04/01/16)

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Financial instruments

With the exception of the Company's inter-company loan arrangements, the Company has no financial instruments. The Company's financing is managed by Five Ten Group Holdings Limited and details of this Company's financial instruments can be found in its own financial statements.

Directors' responsibility for the financial statements

The Directors are responsible for preparing the Strategic Report, Directors' Report and the group and parent company financial statements (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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Director's Report

For the year ended 31 December 2016 continued

Directors' responsibility for the financial statements *continued*

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 group and the Company and of the profit or loss of the group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent,
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

By order of the Board



Michael Joyce
Director

322 High Holborn
London, WC1V 7PB
30 June 2017

Profit and Loss Account

for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Operating result		-	-
Profit on ordinary activities before taxation		-	-
Tax charge on profit on ordinary activities	8	-	-
Profit for the financial year	12	-	-

The above results relate to the continuing operations of the Company.

There are no recognised gains and losses other than for the loss for the year shown above therefore no separate statement of total comprehensive income has been presented.

There are no material differences between the loss on ordinary activities after taxation and the retained losses for the year stated above and their historical equivalents.

Balance Sheet

as at 31 December 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments	9	1,239	1,239
Current assets			
Debtors	10	1,144	1,144
Creditors: amounts falling due within one year		-	-
Net current assets		1,144	1,144
Net assets		2,383	2,383
Capital and reserves			
Called up share capital	11	89	89
Profit and loss account	12	2,294	2,294
Total shareholders' funds	13	2,383	2,383

The Directors are satisfied that the Company is entitled to exemption from the requirement to obtain an audit under section 479A of the Companies Act 2006 relating to subsidiary companies

The members have not required the Company to obtain an audit in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The financial statements on pages 4 to 12 were approved by the board of Directors on 30 June 2017 and were signed on its behalf by:



Michael Joyce
Director

Notes to the Financial Statements

for the year ended 31 December 2016

1. General information

Laurence Simons International (Holdings) Limited ('the Company') is a holding company within a group of companies which provides specialist recruitment services into the accounting and finance, banking, marketing and legal sectors, in the UK, Ireland, Continental Europe and the Middle East.

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is 322 High Holborn, London WC1V 7PB.

2. Statement of compliance

The financial statements of Laurence Simons International (Holdings) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3. Statement of significant accounting policies

Basis of preparation

The consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows under FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its ultimate parent company, FiveTen Group Holdings Limited, includes the company's cash flows in its own consolidated financial statements;
- (ii) from preparing consolidated financial statements, on the basis that its ultimate parent, FiveTen Group Holdings Limited and it is included in the consolidated financial statements exempt by section 400 of the Companies Act 2006.
- (iii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Going concern

The Group's intentions over the next twelve months are to continuously support Laurence Simons International (Holdings) Limited and report as a going concern. The immediate parent company is FiveTen Acquisition Limited. The net liabilities position is due to intercompany borrowings payable to fellow Group companies who will not recall the amount in 12 months from signing the accounts.

Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Notes to the Financial Statements

for the year ended 31 December 2016 continued

3. Statement of significant accounting policies *continued*

Financial instruments *continued*

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss. Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that Laurence Simons International (Holdings) Limited Registered number: 06135827

some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

Derivates, including interest rate swaps and foreign exchange contracts, are not basic financial instruments.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

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

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Notes to the Financial Statements

for the year ended 31 December 2016 continued

3. Statement of significant accounting policies *continued*

Taxation *continued*

(ii) *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in the tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Investments

Investments in subsidiary undertakings are stated at nominal value of shares issued and cost, less provisions for impairment.

Debtors

Trade and other debtors are recorded at cost less allowances for estimated irrecoverable amounts

Creditors

Trade and other creditors are recorded at cost.

Foreign currencies

(i) *Functional and presentation currency*

The Company's functional and presentation currency is pounds sterling.

(ii) *Transactions and balances*

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

4. Critical accounting judgements and estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out in these accounts.

Notes to the Financial Statements

for the year ended 31 December 2016 continued

5. Audit fees

Audit fees were paid by another group company.

6. Directors' emoluments

The emoluments of the Directors are paid by a parent company which makes no recharge to the Company. Both Directors are Directors of a parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of the subsidiaries. Accordingly, there are no emoluments in respect of the Directors. Their emoluments are included in the aggregate of Directors' emoluments disclosed in the financial statements of a parent company.

7. Employees

Other than the Directors of the Company, there were no employees in the year (2015: nil)

8. Deferred tax

There were no deferred tax balances at 31 December 2016 and 31 December 2015

A deferred tax asset of £462,000 (2015: £462,000) relating to prior year losses not utilised has not been recognised on the basis that the Company is not expected to generate sufficient profits in the foreseeable future to make use of these losses

Notes to the Financial Statements

for the year ended 31 December 2016 continued

9. Investments

	£'000
Shares in group undertakings	
Cost at 1 January 2016	6,751
Cost at 31 December 2016	6,751
Provision for impairment at 1 January 2016 and 31 December 2016	(5,512)
Net book value at 1 January 2016 and 31 December 2016	1,239

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company's subsidiary undertakings at the year end are detailed below.

Name	Equity owned by the Company	Class of shares	Direct/Indirect holding	Country of incorporation	Principal activity
Laurence Simons International Group Limited	100%	Ordinary	100% Direct	England	Recruitment
Laurence Simons (India) Private Limited	100%	Ordinary	100% Direct	India	Recruitment
Laurence Simons International Recruitment Limited	100%	Ordinary	100% Indirect	England	Recruitment

A full list of the Company's entities as at 31 December 2016 is available for inspection at the Company's registered office.

Laurence Simons International (Holdings) Limited acquired the shares in Laurence Simons (India) Private Limited from Marks Sattin (Singapore) Pte Limited on disposal of this Company to an external buyer.

All the above entities are included in the Group consolidated financial statements

10. Debtors

	2016 £'000	2015 £'000
Amounts falling due within one year		
Amounts due from group/parent undertaking	1,139	1,139
Other debtors	5	5
	1,144	1,144

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

Notes to the Financial Statements

for the year ended 31 December 2016 continued

11. Called up share capital

	2016 £'000	2015 £'000
Authorised		
100,000 (2015: 100,000) ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
89,332 (2015: 89,332) ordinary shares of £1 each	89	89

Rights attaching to the shares: Dividend Rights, Capital & Voting

The Company will distribute profits to shareholders in respect of their holdings pari passu and pro rata to the number of shares held by each of them

On the return of assets, on a reduction of share capital or otherwise, the surplus assets shall be distributed amongst the shareholders according to the amount paid up for each share.

Each shareholder of the Company is entitled to receive notice, attend and vote at general meetings of the Company. On a show of hands every member shall have one vote and on a poll every member shall have one vote for every share held.

12. Reserves

	Profit and loss account £'000
At 1 January 2016	2,294
Profit / (loss) for the year	-
At 31 December 2016	2,294

13. Reconciliation of movements in shareholders' funds

	2016 £'000	2015 £'000
Profit for the year	-	-
Net movement in shareholder funds	-	-
Opening shareholders' surplus	2,383	2,383
Closing shareholders' surplus	2,383	2,383

Notes to the Financial Statements

for the year ended 31 December 2016 continued

14. Contingent liabilities

The Company has provided a guarantee to ABN Amro as part of the FiveTen Group Holdings Group financing arrangements and is subject to covenant compliance, security charges, and cross guarantees under the ABN AMRO facilities agreement.

15. Ultimate and immediate parent controlling parties

The entire share capital of the Company is owned by FiveTen Acquisition Limited. At year end, the Directors considered FiveTen Acquisition Limited to be the immediate parent undertaking and FiveTen Group Holdings Limited to be the ultimate parent undertaking and controlling company. FiveTen Group Holdings Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2016. Copies of the consolidated financial statements of FiveTen Group Holdings Limited can be obtained from the Company's registered office at 322 High Holborn, London WC1V 7PB.

The majority shareholders of FiveTen Group Holdings Limited are funds controlled by Bregal Capital LLP and accordingly the Directors consider Bregal Capital LLP to be the ultimate controlling party.