

COMPANY REGISTRATION NUMBER: 02754506

**E.M.R. Search & Selection Limited**

**Unaudited Financial Statements**

**31 March 2019**

# **E.M.R. Search & Selection Limited**

## **Directors' Report**

### **Period from 30 June 2018 to 31 March 2019**

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The directors present their report and the unaudited financial statements of the company for the period ended 31 March 2019 .

#### **Directors**

The directors who served the company during the period were as follows:

Mr E Rahman (Appointed 20 July 2018)

IPE Ventures Limited (Appointed 20 September 2018)

#### **Dividends**

The directors do not recommend the payment of a dividend.

This report was approved by the board of directors on 15 December 2019 and signed on behalf of the board by:

Mr E Rahman

Director

Registered office:

4th Floor, 73 New Bond Street

London

W1S 1RS

# E.M.R. Search & Selection Limited

## Statement of Income and Retained Earnings

Period from 30 June 2018 to 31 March 2019

		Period from 30 Jun 18 to 31 Mar 19	Period from 1 Jan 17 to 29 Jun 18
	Note	£	£
Turnover	4	4,350,836	7,397,747
Cost of sales		2,223,169	3,418,673
		-----	-----
Gross profit		2,127,667	3,979,074
Administrative expenses		1,652,180	3,115,889
		-----	-----
Operating profit	5	475,487	863,185
Gain on financial assets at fair value through profit or loss		—	194,539
Interest payable and similar expenses	8	—	107
		-----	-----
Profit before taxation		475,487	1,057,617
Tax on profit	9	89,147	( 6,000)
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Profit for the financial period and total comprehensive income		386,340	1,063,617
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All the activities of the company are from continuing operations.

# E.M.R. Search & Selection Limited

## Statement of Financial Position

31 March 2019

		31 Mar 19	29 Jun 18
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	10	28,763	48,426
Tangible assets	11	60,282	3,223
		-----	-----
		89,045	51,649
<b>Current assets</b>			
Debtors	12	2,552,431	1,198,931
Cash at bank and in hand		40,158	37,535
		-----	-----
		2,592,589	1,236,466
<b>Creditors: amounts falling due within one year</b>	13	1,737,871	730,692
		-----	-----
<b>Net current assets</b>		854,718	505,774
		-----	-----
<b>Total assets less current liabilities</b>		943,763	557,423
		-----	-----
<b>Net assets</b>		943,763	557,423
		-----	-----
<b>Capital and reserves</b>			
Called up share capital	16	100,000	100,000
Profit and loss account		843,763	457,423
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<b>Shareholders funds</b>		943,763	557,423
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For the period ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

# **E.M.R. Search & Selection Limited**

## **Statement of Financial Position** *(continued)*

**31 March 2019**

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These financial statements were approved by the board of directors and authorised for issue on 15 December 2019  
, and are signed on behalf of the board by:

Mr E Rahman

Director

Company registration number: 02754506

# **E.M.R. Search & Selection Limited**

## **Notes to the Financial Statements**

**Period from 30 June 2018 to 31 March 2019**

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### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 4th Floor, 73 New Bond Street, London, W1S 1RS.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software	-	16% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

## **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	20% straight line
Software	-	20% straight line

## **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

## **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.



Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **4. Turnover**

Turnover arises from:

	<b>Period from 30 Jun 18 to 31 Mar 19 £</b>	Period from 1 Jan 17 to 29 Jun 18 £
Sale of goods	4,350,836	7,397,747

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### **5. Operating profit**

Operating profit or loss is stated after charging/crediting:

	<b>Period from 30 Jun 18 to 31 Mar 19 £</b>	Period from 1 Jan 17 to 29 Jun 18 £
Amortisation of intangible assets	19,663	81,006
Depreciation of tangible assets	15,042	921
Impairment of trade debtors	7	1
Foreign exchange differences	( 71)	6,295

## 6. Auditor's remuneration

	<b>Period from 30 Jun 18 to 31 Mar 19</b>	Period from 1 Jan 17 to 29 Jun 18
	<b>£</b>	<b>£</b>
Fees payable for the audit of the financial statements	—	5,995
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## 7. Staff costs

The average number of persons employed by the company during the period, including the directors, amounted to:

	<b>31 Mar 19</b>	29 Jun 18
	<b>No.</b>	<b>No.</b>
Administrative staff	3	3
Number of sales staff	26	24
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	29	27
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The aggregate payroll costs incurred during the period, relating to the above, were:

	<b>Period from 30 Jun 18 to 31 Mar 19</b>	Period from 1 Jan 17 to 29 Jun 18
	<b>£</b>	<b>£</b>
Wages and salaries	( 1,121,573)	( 2,087,584)
Social security costs	136,016	241,216
Other pension costs	40	12,641
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	( 1,257,629)	( 2,341,441)
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## 8. Interest payable and similar expenses

	<b>Period from 30 Jun 18 to 31 Mar 19</b>	Period from 1 Jan 17 to 29 Jun 18
	<b>£</b>	<b>£</b>
Other interest payable and similar charges	—	107
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## 9. Tax on profit

### Major components of tax expense/(income)

	<b>Period from 30 Jun 18 to 31 Mar 19</b>	Period from 1 Jan 17 to 29 Jun 18
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax expense	76,147	—
<b>Deferred tax:</b>		
Origination and reversal of timing differences	13,000	( 6,000)
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<b>Tax on profit</b>	<b>89,147</b>	<b>( 6,000)</b>
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**Reconciliation of tax expense/(income)**

The tax assessed on the profit on ordinary activities for the period is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19 % (2018: 19.17 %).

	<b>Period from 30 Jun 18 to 31 Mar 19</b>	<b>Period from 1 Jan 17 to 29 Jun 18</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	475,487	1,057,617
Profit on ordinary activities by rate of tax	90,343	203,000
Effect of capital allowances and depreciation	( 18,691)	( 13,000)
Timing difference (Deferred tax)	13,000	—
Disallowable expenses	4,495	( 33,000)
Group Relief	—	( 163,000)
Tax on profit	89,147	( 6,000)

**10. Intangible assets**

	<b>Software</b>
	<b>£</b>
<b>Cost</b>	
<b>At 30 June 2018 and 31 March 2019</b>	158,894
<b>Amortisation</b>	
At 30 June 2018	110,468
Charge for the period	19,663
<b>At 31 March 2019</b>	130,131
<b>Carrying amount</b>	
<b>At 31 March 2019</b>	28,763
At 29 June 2018	48,426

**11. Tangible assets**

	<b>Fixtures and fittings</b>	<b>Software</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 30 June 2018	4,144	—	4,144
Additions	—	72,100	72,100
<b>At 31 March 2019</b>	4,144	72,100	76,244
<b>Depreciation</b>			
At 30 June 2018	921	—	921
Charge for the period	621	14,420	15,041
<b>At 31 March 2019</b>	1,542	14,420	15,962
<b>Carrying amount</b>			
<b>At 31 March 2019</b>	2,602	57,680	60,282
At 29 June 2018	3,223	—	3,223

## 12. Debtors

	31 Mar 19	29 Jun 18
	£	£
Trade debtors	1,199,884	664,144
Amounts owed by group undertakings	702,725	—
Deferred tax asset	43,000	56,000
Prepayments and accrued income	599,047	478,742
Other debtors	7,775	45
	2,552,431	1,198,931

Trade debtors of £1,199,884 are secured by debenture as part of the companies invoice financing arrangements. Amounts due from group undertakings are due from IPE Ventures Limited , and are all interest free, unsecured and repayable on demand

## 13. Creditors: amounts falling due within one year

	31 Mar 19	29 Jun 18
	£	£
Bank loans and overdrafts	795,331	252,213
Trade creditors	127,860	6,737
Amounts owed to group undertakings	18,886	—
Accruals and deferred income	158,219	59,507
Corporation tax	57,262	—
Social security and other taxes	574,152	253,651
Other creditors	6,161	158,584
	1,737,871	730,692

HSBC Invoice Finance (UK) Ltd holds a fixed and floating charge over all property and undertaking of the business. HSBC Bank Plc holds a fixed and floating charge over all assets, property and undertaking of the business. These are all in respect of the overdraft facility. Amounts owed to group undertakings are all due to Hojona Limited and Hojona Mind, the amount includes accrued interest, is unsecured and repayable on demand.

## 14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	31 Mar 19	29 Jun 18
	£	£
Included in debtors (note 12)	43,000	56,000

The deferred tax account consists of the tax effect of timing differences in respect of:

	31 Mar 19	29 Jun 18
	£	£
Deferred tax - other timing differences	( 43,000)	( 56,000)

## 15. Employee benefits

### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 40 (2018: £ 12,641 ).

**16. Called up share capital****Issued, called up and fully paid**

	31 Mar 19		29 Jun 18	
	No.	£	No.	£
Ordinary shares of £ 1 each	100,000	100,000	100,000	100,000
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**17. Contingencies**

HSBC Bank PLC hold a fixed and floating charge over the company's assets and property.

**18. Related party transactions**

As of the reporting date, the company is ultimately controlled by Mr M A Imam and the immediate parent company is IPE Ventures Limited . During the period the company issued loans to its parent company, IPE Ventures Limited . The balance at reporting date including accrued interest charges was £702,725. The company also received group loss relief from fellow group companies, Hojona Mind Limited (£6,542) and Hojona Limited (£12,343).

**19. Controlling party**

At the reporting date, the immediate parent company was IPE Ventures Limited. The ultimate controlling party of IPE Ventures Limited is Mr M A Imam.

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