

REGISTERED NUMBER: 06931626 (England and Wales)

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GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021
FOR
GEM PARTNERSHIP LIMITED



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FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

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GEM PARTNERSHIP LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

DIRECTORS:	R A Dunbar L J Rankin I Miller Mrs M L Miller
REGISTERED OFFICE:	Fernwood House Fernwood Road Jesmond Newcastle upon Tyne NE2 1TJ
REGISTERED NUMBER:	06931626 (England and Wales)
SENIOR STATUTORY AUDITOR:	Michael Moran BA FCA
AUDITORS:	Robson Laidler Accountants Limited Statutory Auditor Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear NE2 1TJ
BANKERS:	Barclays Bank Plc PO Box 378 71 Grey Street Newcastle upon Tyne Tyne and Wear NE99 1JP

**GROUP STRATEGIC REPORT
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

The directors present their strategic report of the company and the group for the period 1 January 2020 to 31 March 2021.

REVIEW OF BUSINESS

As a recruitment business we have operated within the temporary and permanent sectors within our core market since 2009. As a training business we have operated within apprenticeship training delivery via the apprenticeship levy fund, other government funded training, and commercial training since 2018.

Our detailed results for the 15 months to 31 March 2021 can be found in our Consolidated Income Statement on page 8. The directors consider the top line results this year to be in line with general market and sector conditions.

Top line sales on a like for like basis increased and administrative costs have been kept well in control providing a good outcome for the year and a solid platform for 2021.

Covid 19 has presented the business with operational challenges in 2020/21 in line with the UK wide impact, but profitability is forecasted to grow into 21/22.

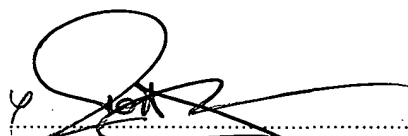
	2021 (15m) £	2019 (12m) £
Turnover	18,988,538	14,100,772
Cost of sales	16,904,122	12,345,115
Gross profit	2,084,416	1,755,657
Administrative expenses	1,475,014	1,391,252
Operating profit	891,290	367,845

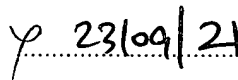
The directors expect the business to be profitable in 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the business are potential changes to the UK employment legislation and generally external via competition and the general state of the UK and regional economy, in particular the state of the employment market.

ON BEHALF OF THE BOARD:


.....
R A Dunbar - Director

Date: 
.....

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

The directors present their report with the financial statements of the company and the group for the period 1 January 2020 to 31 March 2021.

DIVIDENDS

Dividends of £478,464 were paid during the period.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

R A Dunbar
L J Rankin
I Miller
Mrs M L Miller

FINANCIAL INSTRUMENTS

The company has an invoice discounting facility in place to mitigate the company's exposure to liquidity and cash flow risks.

EMPLOYEES

The company is an equal opportunities employer. It is the company's policy to develop and apply procedures and practices which are designed to ensure that equal opportunities are provided to employees, or those who seek employment.

All employees are treated fairly and equally. Selection for employment, promotion, training or other matters affecting their employment is on the basis of aptitude and ability.

It is the company's policy to give full and fair consideration to the employment needs of disabled persons (and persons who become disabled whilst employed by the company) and to comply with any current legislation with regard to disabled persons.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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;
- 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 and the group'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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

GEM PARTNERSHIP LIMITED (REGISTERED NUMBER: 06931626)

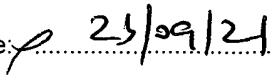
**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

AUDITORS

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
R A Dunbar - Director

Date: 
.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GEM PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of Gem Partnership Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 of the parent company affairs as at 31 March 2021 and of the group's profit for the period 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 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 directors' 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 group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GEM PARTNERSHIP LIMITED

Matters on which we are required to report by exception

In the light of the 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 Group Strategic Report or the Report of the Directors.

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 three, 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 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.

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 a Report of the Auditors 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:

The risk of material misstatement due to error or fraud is deemed to be low within the entity as the company operate strong internal controls to mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant.

Manual journal entries are scrutinised by data analytics software used as part of the audit.

The laws and regulations which are considered to be significant to the group relate to health and safety, working time directive, GDPR, IR35, ESFA Apprenticeship funding rules and AEB funding and performance management rules. Discussions are held with management to determine whether any breaches have occurred as well as legal expenditure being scrutinised for any evidence on non-compliance.

The audit was considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GEM PARTNERSHIP LIMITED**

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 a Report of the Auditors 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.



Michael Moran BA FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

Date: 23/09/2024

GEM PARTNERSHIP LIMITED (REGISTERED NUMBER: 06931626)

**CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

	Notes	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
TURNOVER	4	18,988,538	14,100,772
Cost of sales		16,904,122	12,345,115
GROSS PROFIT		2,084,416	1,755,657
Administrative expenses		1,475,016	1,391,252
		609,400	364,405
Other operating income		281,890	3,440
OPERATING PROFIT and PROFIT BEFORE TAXATION		891,290	367,845
Tax on profit	7	169,614	71,306
PROFIT FOR THE FINANCIAL PERIOD		721,676	296,539
Profit attributable to: Owners of the parent		721,676	296,539

The notes form part of these financial statements

GEM PARTNERSHIP LIMITED (REGISTERED NUMBER: 06931626)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

	Notes	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
PROFIT FOR THE PERIOD		721,676	296,539
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>721,676</u>	<u>296,539</u>
Total comprehensive income attributable to: Owners of the parent		<u>721,676</u>	<u>296,539</u>

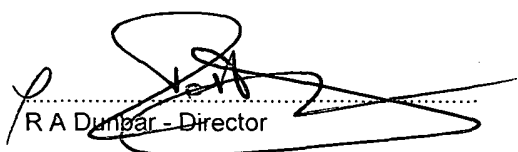
The notes form part of these financial statements

GEM PARTNERSHIP LIMITED (REGISTERED NUMBER: 06931626)

**CONSOLIDATED BALANCE SHEET
31 MARCH 2021**

	Notes	2021 £	2019 £
FIXED ASSETS			
Tangible assets	10	43,582	53,656
Investments	11	-	-
		<u>43,582</u>	<u>53,656</u>
CURRENT ASSETS			
Stocks	12	1,423	3,100
Debtors	13	1,926,628	1,741,492
Cash at bank and in hand		1,277,193	437,774
		<u>3,205,244</u>	<u>2,182,366</u>
CREDITORS			
Amounts falling due within one year	14	2,415,534	1,775,326
NET CURRENT ASSETS		<u>789,710</u>	<u>407,040</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>833,292</u>	<u>460,696</u>
CREDITORS			
Amounts falling due after more than one year	15	(131,250)	-
PROVISIONS FOR LIABILITIES	19	(8,166)	(10,032)
NET ASSETS		<u>693,876</u>	<u>450,664</u>
CAPITAL AND RESERVES			
Called up share capital	20	551	551
Capital redemption reserve	21	552	552
Retained earnings	21	692,773	449,561
SHAREHOLDERS' FUNDS		<u>693,876</u>	<u>450,664</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23/09/21 and were signed on its behalf by:


R A Dunbar - Director

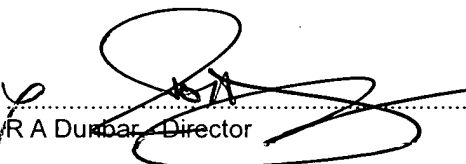
The notes form part of these financial statements

GEM PARTNERSHIP LIMITED (REGISTERED NUMBER: 06931626)

**COMPANY BALANCE SHEET
31 MARCH 2021**

	Notes	2021 £	2019 £
FIXED ASSETS			
Tangible assets	10	38,962	46,141
Investments	11	100	100
		<u>39,062</u>	<u>46,241</u>
CURRENT ASSETS			
Stocks	12	1,423	3,100
Debtors	13	1,959,117	1,759,070
Cash at bank and in hand		1,115,446	377,600
		<u>3,075,986</u>	<u>2,139,770</u>
CREDITORS			
Amounts falling due within one year	14	2,358,621	1,734,966
NET CURRENT ASSETS		<u>717,365</u>	<u>404,804</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>756,427</u>	<u>451,045</u>
CREDITORS			
Amounts falling due after more than one year	15	(131,250)	-
PROVISIONS FOR LIABILITIES	19	(7,288)	(8,604)
NET ASSETS		<u>617,889</u>	<u>442,441</u>
CAPITAL AND RESERVES			
Called up share capital	20	551	551
Capital redemption reserve	21	552	552
Retained earnings	21	616,786	441,338
SHAREHOLDERS' FUNDS		<u>617,889</u>	<u>442,441</u>
Company's profit for the financial year		<u>653,912</u>	<u>287,733</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23/09/21 and were signed on its behalf by:


R A Dunbar, Director

The notes form part of these financial statements

GEM PARTNERSHIP LIMITED (REGISTERED NUMBER: 06931626)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2019	551	439,773	552	440,876
Changes in equity				
Dividends	-	(286,751)	-	(286,751)
Total comprehensive income	-	296,539	-	296,539
Balance at 31 December 2019	<u>551</u>	<u>449,561</u>	<u>552</u>	<u>450,664</u>
Changes in equity				
Dividends	-	(478,464)	-	(478,464)
Total comprehensive income	-	721,676	-	721,676
Balance at 31 March 2021	<u><u>551</u></u>	<u><u>692,773</u></u>	<u><u>552</u></u>	<u><u>693,876</u></u>

The notes form part of these financial statements

GEM PARTNERSHIP LIMITED (REGISTERED NUMBER: 06931626)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2019	551	440,356	552	441,459
Changes in equity				
Dividends	-	(286,751)	-	(286,751)
Total comprehensive income	-	287,733	-	287,733
Balance at 31 December 2019	<u>551</u>	<u>441,338</u>	<u>552</u>	<u>442,441</u>
Changes in equity				
Dividends	-	(478,464)	-	(478,464)
Total comprehensive income	-	653,912	-	653,912
Balance at 31 March 2021	<u><u>551</u></u>	<u><u>616,786</u></u>	<u><u>552</u></u>	<u><u>617,889</u></u>

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

	Notes	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	1,917,436	(464,722)
Tax paid		(71,447)	(81,735)
Net cash from operating activities		<u>1,845,989</u>	<u>(546,457)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(14,560)	(19,548)
Net cash from investing activities		<u>(14,560)</u>	<u>(19,548)</u>
Cash flows from financing activities			
New loans in year		150,000	-
Equity dividends paid		(478,464)	(286,751)
Net cash from financing activities		<u>(328,464)</u>	<u>(286,751)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,502,965</u>	<u>(852,756)</u>
Cash and cash equivalents at beginning of period	2	(225,772)	626,984
Cash and cash equivalents at end of period	2	<u><u>1,277,193</u></u>	<u><u>(225,772)</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
Profit before taxation	891,290	367,845
Depreciation charges	24,635	19,600
	<u>915,925</u>	<u>387,445</u>
Decrease in stocks	1,677	2,955
Increase in trade and other debtors	(185,136)	(230,630)
Increase/(decrease) in trade and other creditors	<u>1,184,970</u>	<u>(624,492)</u>
Cash generated from operations	<u>1,917,436</u>	<u>(464,722)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 March 2021

	31.3.21 £	1.1.20 £
Cash and cash equivalents	1,277,193	437,774
Bank overdrafts	-	(663,546)
	<u>1,277,193</u>	<u>(225,772)</u>

Year ended 31 December 2019

	31.12.19 £	1.1.19 £
Cash and cash equivalents	437,774	626,984
Bank overdrafts	(663,546)	-
	<u>(225,772)</u>	<u>626,984</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.1.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	437,774	839,419	1,277,193
Bank overdrafts	(663,546)	663,546	-
	<u>(225,772)</u>	<u>1,502,965</u>	<u>1,277,193</u>
Debt			
Debts falling due within 1 year	-	(18,750)	(18,750)
Debts falling due after 1 year	-	(131,250)	(131,250)
	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
Total	<u><u>(225,772)</u></u>	<u><u>1,352,965</u></u>	<u><u>1,127,193</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

1. STATUTORY INFORMATION

Gem Partnership Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The financial statements are rounded to the nearest £1.

The company's place of business is Generator Studios, Trafalgar Street, Newcastle upon Tyne, NE1 2LA.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

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

Basis of consolidation

The results of all subsidiaries are included in the group profit and loss account from the date of acquisition.

Significant judgements and estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and judgements will be modified as appropriate in the year in which the circumstances change.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Estimated useful economic lives of tangible fixed assets

Turnover

Turnover is measured at fair value of the consideration receivable net of value added tax. The policies adopted for the recognition of turnover are as follows:

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from the provision of services is recognised by reference to the stage of completion at the balance sheet date.

The services provided are those of processing payroll, providing agency workers to various companies and recruitment fees and the provision of training services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold alterations	- 25% on reducing balance
Fixtures and fittings	- 33% on reducing balance
Computer equipment	- 33% on reducing balance

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

3. ACCOUNTING POLICIES - continued

Impairment of assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

4. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
Recruitment agency	18,593,216	13,824,305
Training provider	395,322	276,467
	<u>18,988,538</u>	<u>14,100,772</u>

Rendering of services £18,988,538 (2019: £14,100,772).

5. EMPLOYEES AND DIRECTORS

	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
Wages and salaries	15,942,013	10,976,479
Social security costs	1,008,522	685,292
Other pension costs	281,406	160,154
	<u>17,231,941</u>	<u>11,821,925</u>

The average number of employees during the period was as follows:

	Period 1.1.20 to 31.3.21	Year Ended 31.12.19
Directors	4	4
Head office	19	23
Commercial/ industrial/ professional	673	590
	<u>696</u>	<u>617</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

5. EMPLOYEES AND DIRECTORS - continued

	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
Directors' remuneration	58,675	45,518
Directors' pension contributions to money purchase schemes	130,500	38,400

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	4	4
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6. OPERATING PROFIT

The operating profit is stated after charging:

	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
Other operating leases	42,634	66,972
Depreciation - owned assets	24,634	19,600
Auditors' remuneration	9,772	9,300

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
Current tax:		
UK corporation tax	171,480	71,984
Deferred tax	(1,866)	(678)
Tax on profit	169,614	71,306

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
Profit before tax	<u>891,290</u>	<u>367,845</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	169,345	69,891
Effects of:		
Expenses not deductible for tax purposes	220	2,083
Depreciation in excess of capital allowances	1,914	10
Deferred tax charge	<u>(1,865)</u>	<u>(678)</u>
Total tax charge	<u>169,614</u>	<u>71,306</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	Period 1.1.20 to 31.3.21 £	Year Ended 31.12.19 £
Ordinary shares of £1 each		
Interim	<u>478,464</u>	<u>286,751</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

10. TANGIBLE FIXED ASSETS

Group

	Leasehold alterations £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2020	2,861	123,610	9,000	135,471
Additions	-	14,560	-	14,560
At 31 March 2021	2,861	138,170	9,000	150,031
DEPRECIATION				
At 1 January 2020	2,003	78,327	1,485	81,815
Charge for period	254	21,485	2,895	24,634
At 31 March 2021	2,257	99,812	4,380	106,449
NET BOOK VALUE				
At 31 March 2021	604	38,358	4,620	43,582
At 31 December 2019	858	45,283	7,515	53,656

Company

	Leasehold alterations £	Fixtures and fittings £	Totals £
COST			
At 1 January 2020	2,861	123,610	126,471
Additions	-	14,560	14,560
At 31 March 2021	2,861	138,170	141,031
DEPRECIATION			
At 1 January 2020	2,003	78,327	80,330
Charge for period	254	21,485	21,739
At 31 March 2021	2,257	99,812	102,069
NET BOOK VALUE			
At 31 March 2021	604	38,358	38,962
At 31 December 2019	858	45,283	46,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

11. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakin
£

COST

At 1 January 2020
and 31 March 2021100

NET BOOK VALUE

At 31 March 2021

100

At 31 December 2019

100

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Gem Training Limited

Registered office: England and Wales

Nature of business: Training services

Class of shares:

Ordinary

%
holding
100.00

Aggregate capital and reserves

Profit for the period/year

2021

£

76,088

67,765

2019

£

8,323

38,807

12. STOCKS

Group

2021

£

1,423

2019

£

3,100

Company

2021

£

1,423

2019

£

3,100

Consumables

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

2021

£

1,855,516

2019

£

1,642,598

Company

2021

£

1,855,364

2019

£

1,638,211

Trade debtors

Amounts owed by group undertakings

Other debtors

Directors' current accounts

Corporation tax recoverable

Prepayments and accrued income

1,926,6281,741,4921,959,1171,759,070

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Included within trade debtors are balances totalling £1,614,462 (2019: £1,493,492) that are subject to an invoice discounting facility. The trade debtors balances have been transferred to the counterparty although the transaction does not qualify for de-recognition on the basis the credit risk is retained by the company. The associated liability recognised in creditors is £Nil (2019: £663,546).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2019	2021	2019
	£	£	£	£
Bank loans and overdrafts (see note 16)	18,750	663,546	18,750	663,546
Trade creditors	24,985	61,009	17,685	56,550
Corporation tax	172,016	71,983	155,576	64,308
Social security and other taxes	1,406,986	661,349	1,402,400	655,344
Other creditors	445,377	220,683	445,377	220,683
Accrued expenses	347,420	96,756	318,833	74,535
	<u>2,415,534</u>	<u>1,775,326</u>	<u>2,358,621</u>	<u>1,734,966</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2019	2021	2019
	£	£	£	£
Bank loans (see note 16)	<u>131,250</u>	<u>-</u>	<u>131,250</u>	<u>-</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2019	2021	2019
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	663,546	-	663,546
Bank loans	<u>18,750</u>	<u>-</u>	<u>18,750</u>	<u>-</u>
	<u>18,750</u>	<u>663,546</u>	<u>18,750</u>	<u>663,546</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>56,250</u>	<u>-</u>	<u>56,250</u>	<u>-</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

17. LEASING AGREEMENTS - continued

Company

	Non-cancellable operating leases	
	2021	2019
	£	£
Within one year	35,538	35,538
Between one and five years	21,740	43,480
	<u>57,278</u>	<u>79,018</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2019	2021	2019
	£	£	£	£
Bank loans	150,000	-	150,000	-
	-	-	-	663,546
	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>663,546</u>

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2019	2021	2019
	£	£	£	£
Deferred tax				
Accelerated capital allowances	8,166	10,032	7,288	8,604
	<u>8,166</u>	<u>10,032</u>	<u>7,288</u>	<u>8,604</u>
Group				
				Deferred tax
				£
Balance at 1 January 2020				10,032
Credit to Income Statement during period				(1,866)
Balance at 31 March 2021				<u>8,166</u>
Company				
				Deferred tax
				£
Balance at 1 January 2020				8,604
Provided during period				(1,316)
Balance at 31 March 2021				<u>7,288</u>

GEM PARTNERSHIP LIMITED (REGISTERED NUMBER: 06931626)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021**

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2021	2019
Number:	Class:		£	£
551	Ordinary		<u>551</u>	<u>551</u>

21. RESERVES

Group

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2020	449,561	552	450,113
Profit for the period	721,676		721,676
Dividends	(478,464)		(478,464)
At 31 March 2021	<u>692,773</u>	<u>552</u>	<u>693,325</u>

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2020	441,338	552	441,890
Profit for the period	653,912	-	653,912
Dividends	(478,464)	-	(478,464)
At 31 March 2021	<u>616,786</u>	<u>552</u>	<u>617,338</u>

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the period ended 31 March 2021 and the year ended 31 December 2019:

	2021 £	2019 £
Mrs M L Miller		
Balance outstanding at start of period	5,000	5,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>5,000</u>	<u>5,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

I Miller

Balance outstanding at start of period	5,000	5,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>5,000</u>	<u>5,000</u>

L J Rankin

Balance outstanding at start of period	5,000	5,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>5,000</u>	<u>5,000</u>

R A Dunbar

Balance outstanding at start of period	5,000	5,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>5,000</u>	<u>5,000</u>

23. RELATED PARTY DISCLOSURES

Key management personnel of the entity or its parent (in the aggregate)

	2021	2019
	£	£
Dividends paid	<u>349,951</u>	<u>209,729</u>

Other related parties

	2021	2019
	£	£
Dividends paid	<u>128,513</u>	<u>77,022</u>

24. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.