

Leap29 Limited
Financial Statements
For the Year Ended
30 June 2019



BEEVER AND STRUTHERS
Chartered accountants & statutory auditor
St. George's House
215 - 219 Chester Road
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Leap29 Limited
Financial Statements
Year Ended 30 June 2019

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Leap29 Limited

Strategic Report

Year Ended 30 June 2019

Principal activity and Strategy

The company's principal activity is providing recruitment solutions across global markets, specialising in sectors including oil and gas, construction, pharmaceuticals, Hi-Tech, renewable energy, finance and legal and operates in over 50 countries worldwide.

Business review

The diversification into new sectors and the continued investment in staff have both proved successful. Top line activity has increased 15% on that of last year. This is despite the continued challenges in market conditions.

Margins fell year during year by 3.5% to 15%. This was a direct consequence of a 21% increase in contract recruitment combined with a 20% increase in our staff numbers.

The board of directors are confident that the business will continue to thrive and provides an excellent platform to capitalise on new opportunities during the next financial year.

Principal Risks

The company's operations expose it to a variety of potential risks including market and economical risk, competitor risk, credit risk, and foreign exchange risk, all of which are addressed and managed rigorously.

Market and economical risk

The company is susceptible to global economic and market activity. Management continue to monitor the diversification in the company to mitigate against macro-economic factors, ensuring that there is a balance between growth and risk.

Competitor risk

The provision of recruitment services in the energy and commodity sectors is extremely competitive and this may lead to pressures on revenue and operating margins. Nevertheless, the directors believe that the provision of high quality service, the building of relationships and an ability to be flexible to client's requirements means that the group will maintain its competitive advantage.

Credit risk

To mitigate the credit risk, the company has policies in place to ensure that all sales are made to customers with an appropriate credit history, supported by extensive aged debt reporting and rigorous cash collection and reporting procedures.

Foreign exchange risk

The company is exposed to foreign exchange movements from its trading activities and overseas presence. The foreign currency risk is continually monitored by management and wherever possible actions are taken to minimise the risk. As far as possible, the company ensures that revenues and costs from contract recruitment are denominated in the same currency to limit exposure and forward contracts are entered into to manage the risk.

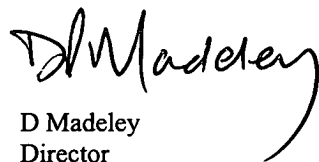
Financial Risk Management

The company's limited borrowings are managed to ensure it has sufficient funds available for current operations and lines of credit in place for future expansion plans. The company's borrowings are provided, interest free, by companies within Equilibrium Healthcare Limited group and Equilibrium Healthcare Group Limited, companies under the same ownership control thus the business does not currently suffer from any interest rate risk.

As has been the case for many years, the company has been cash positive at all times, and has funded all payroll from internal resources.

Leap29 Limited
Strategic Report *(continued)*
Year Ended 30 June 2019

This report was approved by the board of directors on 18 December 2019 and signed on behalf of the board by:



D Madeley
Director

Leap29 Limited
Directors' Report
Year Ended 30 June 2019

The directors present their report and the financial statements of the company for the year ended 30 June 2019.

Directors

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

P J Keely
N Ward
D Madeley

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of Information in the Strategic Report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Directors' Responsibilities Statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Leap29 Limited

Directors' Report *(continued)*

Year Ended 30 June 2019

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 18 December 2019 and signed on behalf of the board by:



D Madeley
Director

Leap29 Limited

Independent Auditor's Report to the Members of Leap29 Limited

Year Ended 30 June 2019

Opinion

We have audited the financial statements of Leap29 Limited (the 'company') for the year ended 30 June 2019 which comprise the statement of income and retained earnings, statement of financial position 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 FRS 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 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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.

Leap29 Limited

Independent Auditor's Report to the Members of Leap29 Limited *(continued)*

Year Ended 30 June 2019

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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.

Opinions on Other Matters Prescribed by the Companies Act 2006

- The information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on Which We are Required to Report by Exception

In the light of 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 directors' report.

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

- adequate accounting records have not been kept, 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 the 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Leap29 Limited

Independent Auditor's Report to the Members of Leap29 Limited *(continued)*

Year Ended 30 June 2019

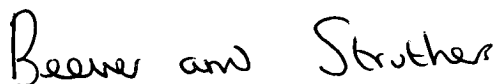
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's report.

Use of Our Report

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



Iain Round, BSC FCA (Senior Statutory Auditor)

For and on behalf of
Beever and Struthers
Chartered accountants & statutory auditor
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

18 December 2019

Leap29 Limited

Statement of Income and Retained Earnings

Year Ended 30 June 2019

	Note	2019 £	2018 £
Turnover	4	11,678,009	10,171,807
Cost of sales		<u>9,920,740</u>	<u>8,286,146</u>
Gross profit		1,757,269	1,885,661
Administrative expenses		<u>1,695,845</u>	1,985,901
Other operating income	5	<u>339,322</u>	<u>226,914</u>
Operating profit	6	400,746	126,674
Profit before taxation		<u>400,746</u>	<u>126,674</u>
Tax on profit	10	<u>214,899</u>	<u>176,611</u>
Profit/(loss) for the financial year and total comprehensive income		<u>185,847</u>	<u>(49,937)</u>
Retained earnings at the start of the year		<u>2,570,792</u>	<u>2,620,729</u>
Retained earnings at the end of the year		<u>2,756,639</u>	<u>2,570,792</u>

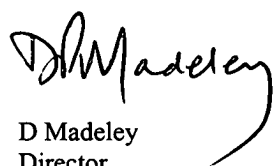
All the activities of the company are from continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

Leap29 Limited
Statement of Financial Position
30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	132,621	122,527
Investments	12	80	80
		<u>132,701</u>	<u>122,607</u>
Current assets			
Debtors	13	4,366,082	4,707,210
Cash at bank and in hand		<u>1,480,437</u>	<u>478,507</u>
		5,846,519	5,185,717
Creditors: Amounts Falling due Within One Year	14	<u>3,214,310</u>	<u>2,736,372</u>
Net current assets		<u>2,632,209</u>	<u>2,449,345</u>
Total assets less current liabilities		<u>2,764,910</u>	<u>2,571,952</u>
Provisions			
Taxation including deferred tax	15	<u>7,111</u>	<u>-</u>
Net assets		<u>2,757,799</u>	<u>2,571,952</u>
Capital and reserves			
Called up share capital	18	800	800
Capital redemption reserve	20	360	360
Profit and loss account	20	<u>2,756,639</u>	<u>2,570,792</u>
Shareholders funds		<u>2,757,799</u>	<u>2,571,952</u>

These financial statements were approved by the board of directors and authorised for issue on 18 December 2019, and are signed on behalf of the board by:


D Madeley
Director

Company registration number: 03899908

The notes on pages 10 to 21 form part of these financial statements.

Leap29 Limited

Notes to the Financial Statements

Year Ended 30 June 2019

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Bollin House, Bollin Link, Wilmslow, Cheshire, SK9 1DP.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS102, '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.

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. Its financial statements are consolidated into the financial statement of Leap29 Holdings Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) The company has taken advantage of the exemption from disclosing transactions with members of the group.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State. The results of this group are included within the consolidated financial statements of Leap29 Holdings Limited.

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

3. Accounting Policies *(continued)*

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.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determination of whether leases entered into by the company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the directors the debt is not fully recoverable.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other 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 as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually by the directors. The depreciation charge for the year to 30 June 2019 was £40,506 (2018: £41,920)
- Recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the directors the debt is not considered to be fully recoverable. Trade debtors are stated after deducting £2,889 (2018: £Nil) for doubtful debts. The amount charged to the profit and loss account for doubtful debts for the year ended 30 June 2019 was £2,889 (2018: £25,330 credit to the profit and loss account).

Revenue Recognition

The turnover shown in the statement of comprehensive income for the placement of candidates represents amounts invoiced during the year, exclusive of Value Added Tax. Income from permanent placements is recognised based on the start date of the placement.

Agency income shown in the statement of comprehensive income for the placement of contract workers is included gross of the direct costs of the agency workers and exclusive of Value Added Tax. Income and costs for contract workers are recognised based on days worked each month.

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

3. Accounting Policies *(continued)*

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 statement of comprehensive income.

Operating Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

3. Accounting Policies *(continued)*

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:

Impairment

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.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

Office refurbishments	- 25% reducing balance
Office equipment	- 25% reducing balance
Motor vehicles	- 33% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

3. Accounting Policies *(continued)*

Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable and loans to and from related parties.

Debtors

Amounts owed by group companies due within one year are measured at the undiscounted amount of the cash or other consideration expected to be received. All other debtors are measured at transaction price, less any impairment.

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.

Creditors

Amounts owed to group companies due within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid. All other creditors are measured at transaction price.

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:

	2019	2018
	£	£
Rendering of services	<u>11,678,009</u>	<u>10,171,807</u>

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

4. Turnover *(continued)*

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2019 £	2018 £
United Kingdom	1,865,949	1,158,939
Overseas	9,812,060	9,012,868
	<u>11,678,009</u>	<u>10,171,807</u>

5. Other Operating Income

	2019 £	2018 £
Management charges receivable	<u>339,322</u>	<u>226,914</u>

6. Operating Profit

Operating profit or loss is stated after charging/crediting:

	2019 £	2018 £
Depreciation of tangible assets	40,506	41,920
Loss on disposal of tangible assets	32,212	–
Impairment of trade debtors	2,889	(25,330)
Foreign exchange differences	(69,542)	12,028
Operating lease costs	<u>72,580</u>	<u>72,580</u>

During the year Tyrell Investments Limited, a company incorporated in Guernsey provided consultancy services to the company totalling £575,000 (2018: £656,750). At the year end, total costs of £1,231,750 (2018: £656,750) have been included within accruals in relation to these services.

7. Auditor's Remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>15,500</u>	<u>14,750</u>

8. Staff Costs

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

	2019 No.	2018 No.
Number of staff	<u>47</u>	<u>39</u>

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

8. Staff Costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	1,452,807	1,550,768
Social security costs	204,772	235,408
Other pension costs	23,804	13,877
	<u>1,681,383</u>	<u>1,800,053</u>

The average number of employees and payroll costs reflect direct employees of the company only. The company is a recruitment agent and as such has a number of indirect employees. These have not been disclosed.

9. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	143,181	203,098
Company contributions to defined benefit pension plans	1,141	1,083
	<u>144,322</u>	<u>204,181</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2019	2018
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

Remuneration of the highest paid director in respect of qualifying services:

	2019	2018
	£	£
Aggregate remuneration	143,181	203,098
Company contributions to defined contribution pension plans	1,141	1,083
	<u>144,322</u>	<u>204,181</u>

In addition to the above costs, director fees have been incurred as disclosed within Transactions with the Directors note.

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

10. Tax on Profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	66,728	13,860
Adjustments in respect of prior periods	–	(1,323)
Double taxation relief	(63,515)	(13,860)
Total UK current tax	3,213	(1,323)
Foreign current tax expense	204,575	168,311
Total current tax	207,788	166,988
Deferred tax:		
Impact of change in tax rate	–	(678)
Origination and reversal of timing differences	5,905	10,301
Adjustment in respect of previous periods	1,206	–
Total deferred tax	7,111	9,623
Tax on profit	214,899	176,611

Reconciliation of tax expense

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

	2019 £	2018 £
Profit on ordinary activities before taxation	400,746	126,674
Profit on ordinary activities by rate of tax	76,141	24,068
Adjustment to tax charge in respect of prior periods	1,206	(1,323)
Effect of expenses not deductible for tax purposes	591	93
Effect of revenue exempt from tax	(4,099)	–
Effect of different UK tax rates on some earnings	–	(678)
Effects of overseas tax rates	141,060	154,451
Tax on profit	214,899	176,611

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

11. Tangible Assets

	Office refurbishment £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2018	71,984	459,141	11,763	542,888
Additions	–	82,812	–	82,812
Disposals	–	(257,693)	–	(257,693)
At 30 June 2019	71,984	284,260	11,763	368,007
Depreciation				
At 1 July 2018	43,198	365,400	11,763	420,361
Charge for the year	7,115	33,391	–	40,506
Disposals	–	(225,481)	–	(225,481)
At 30 June 2019	50,313	173,310	11,763	235,386
Carrying amount				
At 30 June 2019	21,671	110,950	–	132,621
At 30 June 2018	28,786	93,741	–	122,527

12. Investments

	Shares in group undertakings £
Cost	
At 1 July 2018 and 30 June 2019	80
Impairment	
At 1 July 2018 and 30 June 2019	–
Carrying amount	
At 30 June 2019	80
At 30 June 2018	80

The company holds 100% of the issued capital of Leap29 BV, a company incorporated in the Netherlands.

13. Debtors

	2019 £	2018 £
Trade debtors	2,174,940	2,227,449
Amounts owed by group undertakings	1,905,382	2,005,944
Deferred tax asset	3,796	3,796
Prepayments and accrued income	170,080	202,445
Other debtors	111,884	267,576
	4,366,082	4,707,210

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

14. Creditors: Amounts Falling due Within One Year

	2019	2018
	£	£
Trade creditors	599,395	412,632
Amounts owed to related party undertakings	839,285	1,058,215
Accruals and deferred income	1,637,074	1,184,524
Corporation tax	3,213	–
Social security and other taxes	63,374	73,410
Other creditors	71,969	7,591
	<u>3,214,310</u>	<u>2,736,372</u>

15. Provisions

	Deferred tax (note 16) £
At 1 July 2018	–
Additions	7,111
At 30 June 2019	<u>7,111</u>

16. Deferred Tax

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

	2019	2018
	£	£
Included in debtors (note 13)	3,796	3,796
Included in provisions (note 15)	(7,111)	–
	<u>(3,315)</u>	<u>3,796</u>

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

	2019	2018
	£	£
Accelerated capital allowances	3,951	(2,233)
Other short term timing differences	(636)	(1,563)
	<u>3,315</u>	<u>(3,796)</u>

17. Employee Benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £23,804 (2018: £13,877).

At 30 June 2019 £6,947 (2018 : £4,535) was outstanding and included in accruals.

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

18. Called Up Share Capital

Authorised share capital

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000.00</u>	<u>1,000</u>	<u>1,000.00</u>

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>800</u>	<u>800.00</u>	<u>800</u>	<u>800.00</u>

19. Enterprise Management Incentive Share Scheme

Equity share options over the ultimate parent company's share capital are issued to certain employees under an Enterprise Management Incentive (EMI) share scheme, with an exercise price of 10p per share. The options may be exercised over vested shares on a Sale or Admission to a Relevant EEA Market or Recognised Investment Exchange.

No charge has been made to the profit and loss account in respect of these shares due to it not being possible to quantify the vesting period at this time. At the year end, none of the options had been exercised. Further details of the number of options issued and lapsed during the year and outstanding at the year end are set out in the financial statements of Leap29 Holdings Limited.

20. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

21. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	72,580	72,580
Later than 1 year and not later than 5 years	<u>120,233</u>	<u>49,340</u>
	<u>192,813</u>	<u>121,920</u>

22. Transactions With the Directors

Mr D Madeley has invoiced the company £113,750 (2018: £75,000) excluding VAT in respect of services provided. £18,750 was recharged to Equilibrium Healthcare Limited, a company in which Mr D Madeley and Mr P Keely are directors. Additional fees of £80,000 have been accrued at the balance sheet date.

Included in debtors is an amount of £4,536 (2018: £33,637) owed by Mr P Keely. This will be fully repaid within 9 months of the year end.

Leap29 Limited

Notes to the Financial Statements *(continued)*

Year Ended 30 June 2019

23. Related Party Transactions

Included within creditors due in under one year are balances with the following companies in which Mr P J Keely and Mr D Madeley were directors during the year and in which Mr P J Keely owns the majority of the issued share capital. The balances arose through the transfer of funds throughout the year.

	2019	2018
	£	£
Equilibrium Healthcare Limited	255,374	274,625
EHC Jigsaw Limited	(180,275)	(33,484)
OHM Oakland House Limited	13,411	41,485
EHC Moston Grange Limited	(39,224)	(14,411)

Included in creditors is £700,000 (2018: £700,000) in respect of a loan made by Equilibrium Healthcare Limited. This loan does not bear interest and has no scheduled repayment date and is therefore deemed to be repayable on demand.

Included in creditors is £90,000 (2018: £90,000) in respect of a loan made by EHC Oakland House Limited. This loan does not bear interest and has no scheduled repayment date and is therefore deemed to be repayable on demand.

24. Controlling Party

The immediate and ultimate parent company, by virtue of owning 100% of the issued share capital is Leap29 Holdings Limited, a company incorporated in England and Wales.

In the opinion of the directors the parent company is controlled by P J Keely by virtue of owning 86% of the issued share capital.