

LA International Computer Consultants Limited

REPORT AND FINANCIAL STATEMENTS

30 June 2021



Company Registration No. 01633646

LA International Computer Consultants Limited

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LA International Computer Consultants Limited

COMPANY INFORMATION

DIRECTORS

Mr PM Lukic
Mrs SL Lukic
Mr JE Ulfäter
Mr D Crummack
Mr ES Henry
Mr P Martin
Mr CJ Davies

SECRETARY

Mr P Martin

REGISTERED OFFICE

International House
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5UB

AUDITOR

RSM UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

LA International Computer Consultants Limited

STRATEGIC REPORT

The Directors have pleasure in submitting their Strategic Report for LA International Computer Consultants Limited for the year ended 30 June 2021.

REVIEW OF THE BUSINESS AND KEY PERFORMANCE INDICATORS

LA International is a Her Majesty's Government ("HMG") approved ICT Recruitment & Project Solutions Consultancy operating globally from the largest single site in the UK and is the UK's leading supplier of Security Cleared contract and permanent ICT resource to HMG. With a successful track record spanning over 35 years of delivering Recruitment, Managed Services and Project Solutions, LA International has been at the forefront of providing innovative ICT, Transformation and Project/Programme Management services and solutions to a broad range of clients in over 90 countries, ranging from SME's to some of the largest and most respected global brands across Government, Defence, Health, Education, Technology and Telecommunications sectors.

Today, LA International is the largest privately owned ICT Recruitment Company in the UK, winning many industry awards including Best IT Recruitment firm, and proud winners of the Queen's Award for Enterprise in International Trade in 2021 following the award in 2015 to reaffirm LA International's outstanding performance in international trade, innovation and sustainable development, with the Award recognising those businesses that make a valuable contribution to the UK economy each year

As an ISO 9001 and 27001 accredited organisation and as one of the only 'HMG Approved' Defence Contractors in the industry, LA International's reputation has been founded on a very high standard of delivery, transparency and a Candidate/Customer-centric approach to doing business that has built market confidence, trust and sustainable business relationships. Ongoing compliance with all applicable laws and regulations, such as GDPR with no reported issues in the financial year, is a key component of maintaining strong business relationships with all parties

The Queen's Award confirms LA International's position as a multi-sector recruitment market leader both in the UK and internationally, having appeared in the Sunday Times HSBC International Track 200 for 3 consecutive years and being consistently recognised year on year as the benchmark in the recruitment industry, winning a number of prestigious accolades at the Recruiter Awards for Excellence, including being named Best Public Sector Recruitment Company, receiving the 'Winner of Winners' Gold Award and being voted UK's Best IT Recruitment Company three times.

The Directors are therefore pleased to announce another year of strong profitable growth in line with the Company's long term strategic plan of continuing to generate organic growth through the expansion of operations in new and existing clients both in the public and private sectors, UK and internationally.

This strategy has increased the Company's turnover to over £247.0 million, generating an increased level of gross profit of £23.6 million to improve the gross margin percentage for the eight consecutive financial year as the Company has continued to invest and expand its Project Service and Solutions operations, increasing the Profit before tax by 12% to £16.4 million to increase the return from gross profit to profit before taxation to 69%, with total assets increasing to £81.0 million including cash and trade debtors which have increased in line with trading performance along with trade creditors, with the Company on target to increase turnover and pre-tax profit in the new financial year to 30 June 2022.

Increased levels of profitability has continued to generate positive cash flows from operating activities, which have been used to provide increased opportunity for further capital investment and short term investment.

FUTURE DEVELOPMENTS

Since the financial year end LA International has continued to invest in new and existing markets both in the UK and internationally to ensure continued organic growth is sustained moving forward.

LA International Computer Consultants Limited

STRATEGIC REPORT

RISKS AND UNCERTAINTIES AND FINANCIAL INSTRUMENTS

Instruments

Cash flow and liquidity requirements are continually monitored through the preparation of detailed financial models to ensure the Company cash flow and liquidity requirements are satisfied. The Company mitigates price risk through the use of agreed frameworks and contract terms, which specify transaction price.

The Company's trade debtors consist of public sector clients and private sector blue chip clients thus minimising credit risk. It is policy to fully assess and continually monitor each client for credit risk where applicable. At the balance sheet date there were no significant concentrations of credit risk.

The Company's foreign exchange exposure is primarily a translation risk as all parties are contracted in the same local currency to minimise currency exposure risk. As a result the Company's exposure to exchange rate movements is minimal. The Company does not enter into any hedging arrangements.

Employee Skills and Morale

The Company's aim is to retain skilled and motivated employees to meet the demands and needs of the business. The required skills have been defined and, in many cases, are the result of both individual aptitude and extensive training. The Company operates with a strong and highly motivated management team with low staff attrition levels across all areas of the business. The effectiveness of the Company's policies, procedures and practices are continually monitored and evolved to meet the changing demands of the market place.

Covid-19

Despite uncertain economic conditions market demand remains strong and new opportunities continue to be generated with growth opportunities continuing to be generated from within the UK and internationally, both in the Public and Private Sectors. LA International shall take all the necessary steps to ensure it is business as usual for all of its clients, mitigating risk and exploring new opportunities.

As specialists and leaders in its market sector, in conjunction with its involvement in National Security, critical UK infrastructure projects and Covid-19 projects, maintaining complete business continuity for LA International clients and contractors through the Covid-19 pandemic has been of paramount importance. The IT nature of the work undertaken has allowed significant numbers of its contractors in both the public and private sectors in the UK and internationally to operate remotely and therefore negating any financial impact upon the Company as the Company has shown its high level of resilience through the period and has continued to trade successfully.

Section 172 Statement

The directors of the company, as those of all UK companies, must act in accordance with a set of general duties, as detailed in section 172 of the UK Companies Act 2006.

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the company.

Other details of how the directors fulfil their duties in each of the areas set out above are as follows:

LA International Computer Consultants Limited

STRATEGIC REPORT

Section 172 Statement (Continued)

Consequences of decisions in the long term

Each year, the board undertakes a review of the Company's long term strategy. Once approved by the board, this forms the basis for financial budgets and resource plans. In making decisions concerning the business plan and future strategy, the board has regard to a variety of matters including the consequences of its decisions in the long term and its long term reputation.

In approving the business plan, the directors consider external factors such as competitor behaviour, the performance of the underlying markets in which the business operates, as well as the evolving economic, political and market conditions. Where these factors are deemed to be significant, additional forecasting activities are undertaken to understand the impact in a timely manner and enable informed decision making.

The board has agreed a set of targets for an acceptable level of financial resilience and liquidity and regularly reviews the Company's forecast cash flows to ensure adequate cash reserves are maintained for working capital and continued expansion.

Interests of the company's employees

The directors understand the importance of the Company's employees to the long-term success of the business. To enable the business to succeed, management of people's performance and development is critical to bring through talent whilst ensuring the business operates as efficiently as possible, this is reviewed on a regular basis by the Board and management.

The Company regularly communicates business progress and strategy to its employees through presentations and internal group-wide emails with suggestions received back from employees on how to evolve and improve the business in a positive manner.

Workplace health and mental wellbeing continue to be priorities with all employees able to access free support both in the office and at home.

Business relationships

The board regularly reviews how the Company maintains positive relationships with all of its stakeholders. It operates long term partnership arrangements with many of its major suppliers and clients with regular meetings held to review progress and identify where improvements can be made.

The Company works closely with its clients to fully understand their business strategy and needs, to ensure common goals are achieved and long-term partnerships are developed.

Impact on the community and environment

The Company supports a number of local and national charities through both fundraising and volunteering.

High standards of business conduct

The directors take the reputation of the Company seriously which is not limited to operational and financial performance but expands out to every aspect of its operations.

LA International Computer Consultants Limited

STRATEGIC REPORT

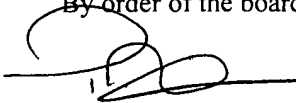
Section 172 Statement (Continued)

The need to act fairly as between shareholders of the company.

There is regular dialogue with all members of the Company to ensure full alignment to the Group's purpose. This includes the payment of dividends to shareholders together with ongoing communication throughout the year.

In the opinion of the Directors no other significant risks and uncertainties exist.

By order of the board



P Martin
Secretary

11 October 2021

LA International Computer Consultants Limited

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of LA International Computer Consultants Limited for the year ended 30 June 2021.

The directors have included the "Future Developments" and "Financial Instruments" sections of the Directors' Report within the Strategic Report.

PRINCIPAL ACTIVITIES

The principal activity of the Company continues to be the supply of management and IT consultants.

DIVIDENDS

Dividends were paid to the holding company of £10,000,000 (2020: £9,000,000) during the year.

DIRECTORS

The directors who held office during the year and since the year end are stated on page 1.

Qualifying third party indemnity provision is in place for the benefit of all directors of the Company.

DIRECTORS' INTERESTS

The interests of the directors in the shares of the parent Company are disclosed in the directors' report of the parent Company.

ENERGY AND CARBON REPORTING

A review of the company's consumption for the year is contained with the Director's report of LA International Holdings Limited, for the year ended 30 June 2021.

EMPLOYEE INVOLVMENT

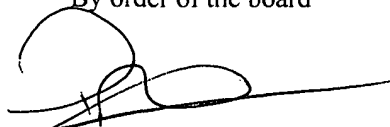
The Company provides employees with information on matters of concern to them, consulting them regularly so that their views can be taken into account when making decisions that are likely to affect their interests.

The Company recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their particular aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors, in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



P Martin
Secretary

11 October 2021

LA International Computer Consultants Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and the 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 of the profit or loss of the Company for that period.

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LA INTERNATIONAL COMPUTER CONSULTANTS LIMITED

Opinion

We have audited the financial statements of LA International Computer Consultants Limited (the 'Company') for the year ended 30 June 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and 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 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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 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 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 contained within the annual report. 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.

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 course of 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LA INTERNATIONAL COMPUTER CONSULTANTS LIMITED (continued)

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 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 set out on page 7, 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.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LA INTERNATIONAL
COMPUTER CONSULTANTS LIMITED (continued)**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment law and IR35 legislation. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Audit procedures performed over revenue recognition included but were not limited to testing design and operating effectiveness of controls, substantive testing and analytical review.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

RSM UK Audit LLP

ADAM KRUPSKI (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

12 October 2021

LA International Computer Consultants Limited
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2021

	Note	2021 £	2020 £
TURNOVER	2	247,040,479	245,301,060
Cost of sales		(223,455,913)	(223,241,154)
		<hr/>	<hr/>
GROSS PROFIT		23,584,566	22,059,906
Distribution and selling costs		(517,211)	(613,135)
Administrative expenses		(6,735,935)	(6,895,067)
		<hr/>	<hr/>
OPERATING PROFIT		16,331,420	14,551,704
Interest receivable and similar income	3	55,946	138,425
Interest payable and similar expenses	4	(14)	(148)
		<hr/>	<hr/>
PROFIT BEFORE TAXATION	2-6	16,387,352	14,689,981
Taxation	8	(3,092,529)	(2,723,798)
		<hr/>	<hr/>
PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		13,294,823	11,966,183
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LA International Computer Consultants Limited

STATEMENT OF FINANCIAL POSITION

at 30 June 2021

	Note	2021		2020	
		£	£	£	£
ASSETS					
FIXED ASSETS					
Intangible assets	10		291,469		306,805
Tangible assets	11		1,504,419		1,645,886
Investments	12		4		4
			<u>1,795,892</u>		<u>1,952,695</u>
CURRENT ASSETS					
Debtors	13	36,304,203		32,538,053	
Investments	14	15,178,953		-	
Cash at bank and in hand		27,771,736		34,552,410	
			<u>79,254,892</u>		<u>67,090,463</u>
TOTAL ASSETS			<u>81,050,784</u>		<u>69,043,158</u>
LIABILITIES					
CAPITAL AND RESERVES					
Called up share capital	15		14,180		14,180
Share premium account			13,392		13,392
Profit and loss account			27,148,261		23,853,438
			<u>27,175,833</u>		<u>23,881,010</u>
PROVISIONS FOR LIABILITIES	16		243,908		201,908
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	17		53,631,043		44,960,240
			<u>81,050,784</u>		<u>69,043,158</u>

The financial statements on pages 11 to 26 were approved by the board of directors and authorised for issue on 11 October 2021 and are signed on its behalf by:



PM Lukic
Director

Company Registration No. 01633646

LA International Computer Consultants Limited
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2021

	Share capital Note	Share premium £	Profit and loss account £	Total £
Balance as at 1 July 2019	14,180	13,392	20,887,255	20,914,827
Profit for the year	-	-	11,966,183	11,966,183
Total comprehensive income	-	-	11,966,183	11,966,183
Transactions with owners in their capacity as owners:-				
Dividends	9	-	(9,000,000)	(9,000,000)
Total transactions with owners in their capacity as owners		-	(9,000,000)	(9,000,000)
Balance as at 30 June 2020	14,180	13,392	23,853,438	23,881,010
Profit for the year	-	-	13,294,823	13,294,823
Total comprehensive income	-	-	13,294,823	13,294,823
Transactions with owners in their capacity as owners:-				
Dividends	9	-	(10,000,000)	(10,000,000)
Total transactions with owners in their capacity as owners		-	(10,000,000)	(10,000,000)
Balance as at 30 June 2021	14,180	13,392	27,148,261	27,175,833

LA International Computer Consultants Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

LA International Computer Consultants Limited (“the Company”) is a private company limited by shares and is registered, domiciled and incorporated in England.

The address of the Company’s registered office and principal place of business is International House, Festival Way, Stoke-on-Trent, Staffordshire, ST1 5UB.

The Company’s principal activity and nature of operations is included in the directors’ report.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

BASIS OF PREPARATION

The Company’s business activities are set out in the Directors’ Report and risks in the Strategic Report. The Company has a significant proportion of recurring revenue across varying market sectors from an established global customer base within the Private and Public Sectors.

Based on forecasts and trading results after 30 June 2021, the directors expect the Company to continue to be profitable and to continue to generate positive cash flows for the foreseeable future. The Company also has in place an overdraft facility and the directors do not foresee any reason why this will not be renewed. As a result the directors have adopted a going concern basis of accounting. The Covid-19 pandemic has not adversely affected the performance of the Company to 30 June 2021 and the directors do not expect any adverse effects in the foreseeable future.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 ‘Basic Financial Instruments’ & Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of LA International Holdings Limited. The consolidated financial statements of LA International Holdings Limited are available from Companies House.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Company.

LA International Computer Consultants Limited

ACCOUNTING POLICIES

FOREIGN CURRENCY

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss.

TURNOVER

Turnover represents amounts receivable for services provided in the normal course of business net of VAT and other related sales taxes and is recognised on a daily basis. Turnover received in advance is treated as deferred income and amounts receivable as accrued income.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost and subsequently stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	-	20% reducing balance
Motor vehicles	-	15% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

INTANGIBLE FIXED ASSETS

Intangible assets are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss over their useful lives, as follows:-

Purchased computer software	-	20% reducing balance
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The directors consider this useful life to be appropriate based on the expected length of time that the software will be used in the Company.

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

LEASED ASSETS AND OBLIGATIONS

All leases are "operating leases" based on the assessment that substantially all the risks and rewards remain with the lessor and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

LA International Computer Consultants Limited

ACCOUNTING POLICIES

RETIREMENT BENEFITS

The Company operates a defined contribution stakeholder pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to profit or loss in respect of pension costs, and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and other debtors

Trade and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

LA International Computer Consultants Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS (continued)

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

LA International Computer Consultants Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The directors consider that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

The directors consider that there are no critical areas of judgement that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 TURNOVER

Turnover represents the invoiced amount of services provided, net of Value Added Tax.

The Company supplies services to the United Kingdom and to international markets throughout the world.

Turnover arises from the Company's principal activity.

Turnover for each geographical market has not been disclosed as the directors are of the opinion that such disclosure would be prejudicial to the interests of the Company.

3	INTEREST RECEIVABLE AND SIMILAR INCOME	2021 £	2020 £
	Bank interest	55,946	137,717
	Other	-	708
		<hr/>	<hr/>
		55,946	138,425
		<hr/>	<hr/>
4	INTEREST PAYABLE AND SIMILAR EXPENSES	2021 £	2020 £
	Bank interest	14	148
		<hr/>	<hr/>

LA International Computer Consultants Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

5	PROFIT BEFORE TAXATION	2021	2020
		£	£
	Profit before taxation is stated after charging/(crediting):		
	Depreciation and amounts written off tangible fixed assets:		
	Charge for the year:		
	Owned assets	331,461	310,083
	Profit on disposal of fixed assets	(547)	(8,897)
	Amortisation of intangible fixed assets	18,068	14,729
	Net exchange loss/(gain)	93,744	(72,673)
	Operating lease rentals:		
	Plant and machinery	5,613	4,392
	Land and buildings	201,000	201,000
	Auditor's remuneration:		
	Statutory audit	17,750	12,935
	Other services:		
	Taxation compliance services	1,725	1,700
		<u> </u>	<u> </u>
6	EMPLOYEES	2021	2020
		Number	Number
	The average number of persons (including directors) employed by the Company during the year was:		
	Office and management	106	113
		<u> </u>	<u> </u>
	Staff costs for the above persons:		
		2021	2020
		£	£
	Wages and salaries	4,630,287	4,756,834
	Social security costs	524,786	535,706
	Other pension costs	281,574	288,817
		<u> </u>	<u> </u>
		5,436,647	5,581,357
		<u> </u>	<u> </u>
	DIRECTORS' REMUNERATION	2021	2020
		£	£
	Emoluments	1,194,522	1,152,805
	Money purchase pension contributions	32,670	37,670
		<u> </u>	<u> </u>
		1,227,192	1,190,475
		<u> </u>	<u> </u>

LA International Computer Consultants Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2021

6 EMPLOYEES (continued)

Directors' remuneration disclosed above includes the following payments:

	Highest paid director 2021 £	Highest paid director 2020 £
Emoluments	315,840	304,922
Money purchase pension contributions	18,000	10,000
	333,840	314,922

	2021 Number	2020 Number
--	------------------------	----------------

The number of directors to whom relevant benefits are accruing under:

Money purchase pension schemes was:	4	4
	2021 Number	2020 Number

The number of directors eligible for long term incentive plans in LA International Holdings Limited was:

2	2
2021 Number	2020 Number

7 PENSION SCHEME

The Company operates a defined contribution stakeholder pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £281,574 (2020: £288,817).

There were no contributions payable to the scheme at the year end (2020: £nil).

LA International Computer Consultants Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

8	TAXATION	2021		2020	
		£	£	£	£
	Current tax:				
	UK corporation tax on profits of the year	3,051,509		2,672,523	
	Adjustments in respect of previous year	(980)		420	
	Total current tax		3,050,529		2,672,943
	Deferred tax:				
	Origination and reversal of timing differences	(21,762)		33,504	
	Adjustments in respect of previous year	1		(376)	
	Effect of tax rate change on opening balance	63,761		17,767	
	Total deferred tax		42,000		50,855
	Tax on profit		3,092,529		2,723,798

Factors affecting tax charge for the year:	2021	2020
	£	£
The tax assessed for the year is lower (2020: lower) than the average standard rate of corporation tax in the UK 19% (2020: 19%). The differences are explained below:		
Profit before tax	16,387,352	14,689,981
Profit multiplied by the average standard rate of corporation tax in the UK 19% (2020: 19%).	3,113,597	2,791,096
Effects of:		
Expenses not deductible for tax purposes	1,622	5,698
Transfer pricing adjustment	(80,248)	(90,766)
Adjustments in respect of previous year	(979)	43
Effect of changes in tax rates	58,537	17,727
Total tax expense	3,092,529	2,723,798

The standard rate of Corporation Tax in the United Kingdom for the year was 19% (2020: 19%).

Royal Assent of Finance Act 2021 was granted on 10 June 2021 which enacted an increase in the main rate of Corporation Tax to 25% for accounting periods commencing on or after 1 April 2023. The current rate of 19% will continue as a small profits rate which will apply to Companies with augmented profits of £50,000 or less. Other Companies will calculate tax at the main rate but, if their augmented profits are

LA International Computer Consultants Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

8 TAXATION(continued)

between £50,000 and £250,000, will pay tax at the main rate, reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

As a result of the enacted increase in the Corporation Tax rate, deferred tax has been provided at a rate of 25% (2020: 19%).

9 DIVIDENDS

	2021 £	2020 £
--	-----------	-----------

Ordinary:

Interim dividend paid to the holding company at £705.22 per share (2020: £634.70)

10,000,000	9,000,000
------------	-----------

10 INTANGIBLE FIXED ASSETS

	Computer software £
<i>Cost</i>	
At beginning of year	540,813
Additions	2,732
	<hr/>
At end of year	543,545
	<hr/>
<i>Amortisation</i>	
At beginning of year	234,008
Charge for year	18,068
	<hr/>
At end of year	252,076
	<hr/>
<i>Carrying value</i>	
At 30 June 2021	291,469
	<hr/> <hr/>
At 30 June 2020	306,805
	<hr/> <hr/>

The amortisation of intangible assets is included within administrative expenses.

Included in the cost above is £218,635, relating to purchased computer software not available for use and therefore not amortised.

LA International Computer Consultants Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

11 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Total £
<i>Cost</i>			
At beginning of year	826,067	1,787,903	2,613,970
Additions	41,059	295,039	336,098
Disposals	(45,500)	(265,681)	(311,181)
At end of year	821,626	1,817,261	2,638,887
<i>Depreciation</i>			
At beginning of year	556,768	411,316	968,084
Charge for year	58,055	273,406	331,461
On disposals	(38,034)	(127,043)	(165,077)
At end of year	576,789	557,679	1,134,468
<i>Carrying value</i>			
At 30 June 2021	244,837	1,259,582	1,504,419
At 30 June 2020	269,299	1,376,587	1,645,886

12 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
<i>Cost</i>	
At beginning and end of year	4

The companies in which the company's interest is more than 20% of equity are as follows:

Subsidiary undertakings	Principal activity	Registered office	Percentage of ordinary shares held
LA International Project Services Limited	Dormant	See note A	100%
LA International Computer Recruitment Limited	Dormant	See note A	100%

Note A – International House, Festival Way, Stoke-on-Trent, Staffordshire, ST1 5UB.

LA International Computer Consultants Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2021

13	DEBTORS	2021 £	2020 £
	<i>Amounts falling due within one year:</i>		
	Trade debtors	35,993,302	32,240,830
	Corporation tax	81,948	54,477
	Other debtors	208	245
	Prepayments	228,745	242,501
		<u>36,304,203</u>	<u>32,538,053</u>

Debtors are stated net of a provision of £nil (2019: £nil).

14	CURRENT ASSET INVESTMENTS	2021 £	2020 £
	Fixed deposit account	15,178,953	-
		<u>15,178,953</u>	<u>-</u>

15	SHARE CAPITAL AND RESERVES	2021 £	2020 £
	Allotted, called up and fully paid: 14,180 ordinary shares of £1 each	14,180	14,180
		<u>14,180</u>	<u>14,180</u>

RESERVES

Reserves of the Company represent the following:

Retained earnings

Cumulative profit and loss net of distributions to owners.

Share premium

Considered received for shares issued above their nominal value net of transaction costs.

LA International Computer Consultants Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

16	PROVISIONS FOR LIABILITIES		
		2021	2020
		£	£
	DEFERRED TAXATION		
	At start of year	201,908	151,053
	Charge to the profit and loss account	42,000	50,855
		<hr/>	<hr/>
	At end of year	243,908	201,908
		<hr/> <hr/>	<hr/> <hr/>

The elements of the deferred tax liability are as follows:

		2021	2020
		£	£
	Acceleration capital allowances	244,552	202,397
	Short term timing differences	-	-
	Capital losses	(644)	(489)
		<hr/>	<hr/>
		243,908	201,908
		<hr/> <hr/>	<hr/> <hr/>

The deferred taxation liability is expected to reverse over the next 7-15 years and it relates to accelerated capital allowances on fixed assets.

17	CREDITORS: Amounts falling due within one year		
		2021	2020
		£	£
	Trade creditors	26,591,899	23,463,110
	Amounts due to the group undertaking	24,689,682	18,767,412
	Other taxation and social security costs	776,041	1,347,676
	Accruals and deferred income	1,573,421	1,382,042
		<hr/>	<hr/>
		53,631,043	44,960,240
		<hr/> <hr/>	<hr/> <hr/>

HSBC Bank plc hold a fixed charge over book debts and a floating charge over all other assets of the Company dated 20 December 1982 and a fixed charge over the Company's goodwill and other intangible property dated 2 May 1996. On 24 May 2006 an Unlimited Multilateral Guarantee was given by LA International Computer Consultants Limited and LA International Holdings Limited to HSBC Bank plc.

LA International Computer Consultants Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

18 COMMITMENTS UNDER OPERATING LEASES

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

	Plant and machinery 2021 £	Total £	Plant and machinery 2020 £	Total £
Amounts due: Within 1 year	2,214	2,214	1,747	1,747

19 CONTINGENT LIABILITIES

The Company and its parent undertaking, LA International Holdings Limited, are members of a VAT group. At 30 June 2021 the contingent liability in relation to the VAT group was £nil (2020: £nil).

20 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly owned subsidiary of LA International Holdings Limited, which is under the control of PM Lukic.

The largest and smallest Group in which the results of the Company are consolidated is that headed by LA International Holdings Limited.

Copies of the Group's financial statements may be obtained from:

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

The registered office of LA International Holdings Limited is:

International House
Festival Way
Festival Park
Hanley
Stoke-on-Trent
Staffordshire
ST1 5UB