Prime People

Prime People Plc

Annual Report and Financial Statements

for the year ended 31 March 2021

2021

Contents

Chairman's Statement

Performance

As previously reported, the Covid-19 pandemic started in the early part of 2020 and, while not having a material effect on outcomes for the year ended 31 March 2020, nonetheless, activity slowed in our final quarter with an increasing impact throughout the 12 months to 31 March 2021.

The scale of the economic slowdown in all the Group's geographical segments saw performance significantly deteriorate compared with the results of the previous year.

We closed the year with headline Revenue of £17.8m (2020: £24.0m) and Net Fee Income ("NFI") of £10.9m (2020 £15.5m), a 30% year-on-year decline. NFI comprises the total fees for permanent candidates and the margin earned in the placement of contract staff.

The Group's Operating Loss, was £0.12m compared to the prior year profit of £2.0m, before a goodwill impairment of £4.0m. The decline is attributable to lower NFI although there were materially reduced operating costs as consequence of the income received in respect of the UK Government Coronavirus Job Retention Scheme and support programs in overseas locations.

The Board has carefully considered the prospects of the Group's operations and markets and are confident that no impairment charge is required to be recognised against the overall carrying value of Goodwill. Further details of the Goodwill are disclosed in note 11.

Cash Flow

Cash management was strengthened further during the period and, as previously announced, a Coronavirus Business Interruption Loan (CBILS) of £2m was secured, which continues to remain in place at the time of this report. The Group continues to maintain a good net cash position. At the start of the year the Group had cash of £2.1m which had increased to £4.0m at the end of March 2021, of which £2.0m is comprised of the CBILS.

Dividend

The Board will not be recommending a final Dividend this year.

Share Buy Back

During the year 190,000 shares were purchased through the Group's buyback programme at a cost of £103k. In the year no ordinary shares were transferred from Treasury to satisfy the exercise of options. At the year end the Group held 190,000 shares in Treasury.

Chairman's Statement (continued)

Board

The Board believes it has continued to operate corporate governance standards appropriate to an AIM quoted company of its size. The Directors retire by rotation every three years and seek re-appointment by shareholders at the next AGM. This year, Peter Moore will retire and seek re-election under these arrangements.

The Board members have a mix of skills, experience and backgrounds that are a considerable support to the business.

People

The average number of staff (excluding Temporary Contractors) reduced from 137 last year to 117 this year.

The Group has a diverse cultural and ethnic profile within its businesses and at the year-end had a global 60:40 male to female gender ratio.

The success of the Group is dependent on having competent and committed people and the Board would like to thank all the members of our staff for their hard work, commitment and contribution over the last year.

Current trading and outlook

All our markets have been impacted by Covid-19 and, although we have experienced reasonable progress as the various economies we operate in start to recover, noticeably in the UK. As an international group, we may be impacted by ongoing restrictions on travel. Several of our geographic segments face geopolitical uncertainty and, whilst trading in our international offices is encouraging, we are closely monitoring the systemic risks posed over the longer term in all our regions of operation.

We believe that with our management focus on the key business drivers, and optimising interaction between our regions, the Group is well positioned to respond swiftly across all businesses to changes impacting our activity. We are confident about our ability to generate worthwhile, long-term returns and will continue to invest for the future.

Robert Macdonald
Executive Chairman

Strategic Report

Overview

The Group provides Permanent and Contract recruitment services to selected, niche industry sectors. Our business model is built around our people, all of whom are specialists in their industry verticals.

Our employees are vital to the continued success of the Group and we invest heavily in them. As such, we take time to find and train the best talent that shares our ambition - to be the best, not simply the biggest.

The built environment continues to be the Group's largest market, served through its main subsidiary, Macdonald & Company. In addition, the Group also serves the technology & digital transformation and infrastructure, construction, and design sectors through its Prime Insight and Command brands respectively.

The business is organised into teams of specialist consultants, each managed by a team leader who is responsible for performance within the operating framework approved by the Board. The Group operates a policy of open communication in the belief that its employees are best placed to suggest operational improvements and emergent strategies that will increase earnings.

The Group is committed to managing its talent on merit and provides equal opportunities for all current and future employees. It gives full and fair consideration to applications for employment from disabled persons, where a disabled person may adequately carry out the requirements of any position within the physical constraints of the Company's offices. The Board is concerned to provide a healthy corporate culture and in pursuit of its objectives and strategy seeks regular input through open meetings with its staff.

The Group has two locations in the UK, the London head office and Manchester, and international offices in Hong Kong (established in 2007), Dubai (established in 2008), Singapore (established in 2012), Frankfurt (established in 2019), and a franchise in South Africa (established in 2008). In the past 12 months, the Group has also opened offices in Riyadh, Houston, and Düsseldorf.

The Covid-19 pandemic had a large impact on all parts of our business during the period. As societies across the world locked down, the Group experienced a marked decrease in demand which extended through the year and has significantly affected results. Despite the strong headwinds facing all businesses, the Group's strategy of cultivating strong client relationships, investing in the best technology, and employing the best people helped mitigate the impact of the unprecedented restrictions placed upon global economies.

These are the foundations of the Group's success and, together with an experienced management team, focussed on tight control of cash resources, expenditure and productivity per head, they helped quickly stabilise the Group and have positioned us to recover as markets began to normalise after the first round of lockdowns.

While short-term cost reduction measures were quickly put in place, the Group has continued to invest in our people and every effort was made to retain staff and ensure we were equipped to take advantage of an economic recovery. We were able to make use of government funded support schemes and, while some limited staff reductions were, unfortunately required, the Group was able to retain its most experienced, productive fee earners.

Over several years, the Group has positioned itself to be agile in serving our clients - wherever their demand may be. Consequently, we had made significant investments in our technology and were well positioned to support remote working. Business was able to continue throughout the various lockdown measures with little interruption and we believe that the accelerated adoption of flexible working will present opportunities for the Group.

Despite this, performance was materially impacted by the pandemic with NFI down by 30% overall. As a result of the reduction in NFI the group reports an operating loss of £0.12m, however, the fundamentals of the Group are strong and the investment we made in retaining fee earners during the period will position us to take advantage of opportunities in our markets over the long-term.

Strategic Report ***(Continued)***

Due to a predominantly public sector client base, contract recruitment in the UK proved resilient. During the year the Group continued its targeted expansion into the U.S. and mainland European markets.

With growth now returning to economies around the world, the Group remains committed to organic growth and where individual NFI performance against costs justifies, it will hire new fee earners.

Regional Performance

United Kingdom

	2021 £m	2020 £m
Revenue	**11.67**	15.70
Net Fee Income (NFI)	**4.89**	7.26
Adjusted Operating (Loss)/Profit (Note 1)	**(0.02)**	0.30
Adjusted Operating (Loss)/Profit as % of NFI	**(0.4%)**	4.55%
Average number of employees	**61**	71

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Revenue reduced by 25.7% to £11.67m (2020: £15.7m) with NFI reducing by 32.6% to £4.89m (2020: £7.3m).

Asia Pacific

	2021 £m	2020 £m
Revenue	**5.11**	8.18
Net Fee Income (NFI)	**5.01**	8.12
Operating Profit	**0.05**	1.67
Operating Profit as % of NFI	**9.23%**	20.68%
Average number of employees	**50**	60

NFI declined by 38.3% to £5m (2020: £8.1m) . The region is covered by our offices in Hong Kong and Singapore and represents 45.8% of Group NFI (2020: 52.5%).

Command Operating Loss, unadjusted for Minority Interest, was part of the reported Operating Profit in the region.

Strategic Report *(Continued)*

Rest of the World

	2021 £m	2020 £m
Revenue	**1.03**	0.14
Net Fee Income (NFI)	**1.03**	0.14
Operating (Loss)/Profit	**(0.13)**	0.00
Operating (Loss)/Profit as % of NFI	**(12.73%)**	0.00%
Average number of employees	**3**	2

The region now covers our offices in Frankfurt, Düsseldorf, Houston, Dubai and a franchise in South Africa.

Peter Moore
Managing Director

22 July 2021

Financial Review

Revenue
The Group's Revenue was £17.8m, which represents a 25.5% decline compared to 2020 (£24.0m).

Net Fee Income (NFI)
Overall Group NFI was £10.93.m which is a decrease of 29.5% compared to the prior year.

The split of net fee income was 94% from Permanent Sales (2020: 94%) and 6.0% from Contract Sales (2020: 6.0%).

The Group generated 55.3% of its Net Fee Income from outside the UK (2020: 53.2%).

Administration Costs
Administration costs for the year were £11.7m, a decrease of 13.4% on 2020 due to staff going on furlough and lower commission costs.

Profit before Taxation
Loss before taxation and Goodwill impairment was £0.17m (2020: profit of £1.89m) and reported loss was £0.17m after Goodwill Impairment (2020: loss of £2.13m).

Taxation
The taxation credit is £5k on loss before taxation of £173k which gives an effective tax rate of 2.8% (2020: 8.2%). The reasons for the difference from the standard UK corporation tax rate of 19% are detailed in note 7.

Earnings per Share
Basic and diluted earnings per share improved to a loss per share of 0.30p (2020: loss per share of 19.36p).

Balance Sheet
Net Assets at 31 March 2021 were £8.8m compared to the prior year net assets of £9.4m. Trade Receivables net of provisions for doubtful debts at the year-end were £2.2m (2020: £3.0m) and reflect the reduced average credit period taken by clients to 48 days (2020: 75 days). The decrease in debtor days is explained by stronger collection from certain Command clients in Saudi Arabia.

Treasury Management and Currency Risk
Approximately 65.6% of the Group's revenue in 2021 (2020: 65.4%) was denominated in Sterling. Consequently, the Group has a currency exposure in accounting for overseas operations.

Currently the Group policy is not to hedge against this exposure, but it does seek to minimise the effect by converting into Sterling all cash balances in foreign currency that are not required for local short-term working capital needs.

Cash Flow and Cash Position
At the start of the year the Group had Cash of £2.055m. After net taxation payments of £0.13m (2020: £0.16m) cash generated from operations was £1.0m (2020: £3.5m).

Financial Review

Principal Risks and Uncertainties

The Board has responsibility for establishing the Group's approach to risk and the effective risk management. The Group's strategy is designed to allow the business to grow without increasing risk beyond an acceptable limit. The risk fluctuates from time to time and will be assessed in line with delivering the business strategy of the Group, to safeguard shareholders' interests and improve the quality of decision making. The Board reviews the principal risks and uncertainties facing the Group on a regular basis. The Board's approach is to ascertain the key risks and develop plans to reduce the potential effects of these risks on the business. The principal risks identified are as follows:

Dependence on Key People
The sustainable success of the Group is dependent on recruiting and retaining senior management and key staff. The loss of the services of the senior management and other key people could impact trading and profitability.

To address this, the Group has put into place an internal talent acquisition function and invested in management information systems, training and development programmes, competitive pay structures and long-term remuneration plans, the aim of which is to retain key employees. The Board's management equity incentives present key management with equity ownership, tying them to the business for the long term.

The Group is fortunate to have the loyalty of the senior management team which allows the business to progress, even in uncertain markets.

Competitors
The Group's focus is on specialist, niche sectors where clients need expert knowledge and high levels of service. We concentrate on markets where there is a shortage of supply of suitable candidates and opportunities to build strong and fruitful long-term relationships with clients.

The Directors monitor the legal and regulatory environment in all Group markets. By investing in the Group brands and markets, the executive management reacts to changes in legislation, as well as making it easier to attract candidates because of the brand reputation and knowledge. The Directors believe that the Group is well positioned in its chosen markets. Whilst the Group seeks to continue to improve its competitive positions, the actions of current, or indeed potential, competitors may adversely affect the Group's business.

Macro-economic factors
Persistent slow growth in the global economy has effects that trigger reduced output, and with it, demand and investment. There is strong correlation between the business performance and that of the economies in which the Group operates. The impact on the UK economy from leaving the EU remains unclear and this uncertainty may continue to negatively impact on investment in staff. The Board sees opportunities for development and will continue to invest in areas where growth can be delivered at acceptable levels of profitability, increasing cash generation and growing Group revenue. The Group is geographically diversified, spanning over different countries which reduces the reliance on the success of any single market. The global Covid-19 pandemic has highlighted the significant challenges to trading created by outbreaks of this nature. Prolonged impact on our business cannot be ruled out as a result of Covid-19 and future pandemics.

The Group complies with local guidance and client requirements in place in response to Covid-19. Where possible alternative recruitment practices such as video interviewing are being employed to maintain recruitment activity.

Regulatory position
The increase in regulatory scrutiny and demands on compliance are influencing hiring. The Group is aware of continuing challenges as procurement practice evolves but remains committed to being fully compliant in each of the regions in which it operates. To reduce the legal and compliance risks, fee earners and support staff receive timely and regular training and updates on changes in legal and compliance requirements.

Financial Review

Cyber Security and data protection
The risk of sensitive information being accessed without authorisation has grown in the wider business environment. Any successful breach can lead to the loss of commercially sensitive data, candidate and clients' data, damage our brand reputation and lead to business disruption. With increasing regulation on data protection there is an ongoing risk of failing to comply with regulations leading to reputational damage.

We have invested resources on cyber security with close oversight and training to ensure we meet a minimum standard of security. As we invest further in technology, we will also invest in ensuring our cyber security measures and policies reflect the changes in the Group.

Information technology
The Group is highly dependent on certain technology systems and the infrastructure on which they operate in order to maintain its client and candidate database. These systems rely on specific suppliers who provide the technology infrastructure and disaster recovery solutions. The performance of these suppliers is continually monitored to ensure that the services are available and maintained. Therefore, the systems and infrastructure are regularly reviewed and upgraded to ensure appropriate provision of functionality and resilience to support the business as it develops.

Foreign Exchange Risk
The Group's international operations account for 34.5% of revenue (2020: 34.7%) and approximately 29.1% of the Group's assets (2020: 24.3%). Consequently, the Group has a degree of translation exposure in accounting for overseas operations and expects this to increase in line with the growth of the Group outside the United Kingdom. The Group's policy is not to hedge against this exposure, as there is a degree of natural hedge from the Group geographical diversification. However, the Group seeks to minimise this exposure by converting into sterling all cash balances received in foreign currency that are not required for local short-term working capital needs. The Group will continue to monitor its policies in this area to be able to react if rates move adversely.

Treasury Policies, Liquidity and Financial Risk
Surplus funds are held to support short term working capital requirements. These funds are invested using short term and period deposits, with a policy of maximising fixed interest returns, whilst providing the flexibility required to fund on-going operations and to invest cash safely and profitably.

Although the financial risks to which the Group is exposed are currently considered to be minor, future interest rate, liquidity and foreign currency risks could arise. An additional bout of exchange rate depreciations in emerging market economies and a sharp decline in capital inflows could force a rapid compression of domestic demand. The depreciation of Sterling might have a tangible impact on UK business. The Board continues to focus on cash flow forecasting and to manage financial and foreign exchange risk in order to define and understand the Group foreign exchange exposures and to ensure the quality of information on each exposure. The Board will continually review its existing policies and make changes as required to limit the financial risks of the business.

Credit Risk Management
Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The principal credit risks arise from the Group's trade receivables. Client credit terms and cash collections are managed carefully, and cash balances and cash flow forecast are reviewed weekly. Monthly credit evaluation is performed on the financial condition of accounts receivable based on payment history and third-party credit references with appropriate provisions being made.

Section 172 Statement

Section 172(a)(a) to (f) of the Companies Act 2006 (“s.172”) requires a Director of a company to act in the way which he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members and, in so doing, to have regard (amongst other matters) to the following factors:

- the interest of the Company’s employees.
- the likely long-term consequences of any decision being made.
- the need to maintain the Company’s relationships with suppliers, customers and others.
- the desire to maintain reputation for high professional standards and business conduct.
- the need to act fairly between members of the Company, and
- the impact of the Company’s operations on the environment and the community

The Board of Directors considers that it acts in a way to promote the success of the Company and Group for the benefit of its members, having regard to the matters set out above. The Company’s key stakeholders are its Shareholders, internal staff, candidates, clients, and suppliers. The Board’s aims to make decisions that are for the long-term strategic benefit of the Group and its stakeholders.

The Board seeks to ensure that its actions and decision-making processes consider key stakeholders and that there is sufficient time, information and understanding to consider their interests efficiently and effectively, when making long term decisions. Stakeholder engagement is achieved through direct interaction by Directors, receiving reports from management who engage with stakeholders.

The Directors recognise that stakeholder groups may not remain static and can be affected by changes in strategy, legislation, or business requirements. Therefore, these are regularly reviewed to ensure they remain appropriate.

Detail on how the Board has had regard to the matters set out in s.172 during the year is set out below.

Long-term decision making
The Directors review strategic objectives continually and with Executive Management continued to have their main focus on delivery of organic growth:

- by further embedding of Prime culture, value drivers and principles, which help create an environment in which each employee achieves his or her goals, realises individual potential and achieves career development

- by the continued migration to cloud technologies including Microsoft Modern workplace across all Group companies, to enable direct and immediate engagement with all employees around the world

- by realignment of the Group Customer Relationship Management system into multiple brands and core sectors allowing the sharing of common experiences and to leverage synergies and existing capabilities to achieve more efficient working for our staff and an improved service to other stakeholders

- by the Board, through the Executive Management, creating an environment, in each office location, where colleagues are happy to work and which supports their wellbeing for the long term

- by ensuring that the business deals fairly and transparently with candidates, having due regard to the need to protect their confidentiality and personal data

- by continuing to deal equitably with those businesses who supply services and goods to the Group and particularly seeking to pay them on terms agreed.

Section 172 Statement (continued)

Investment & Organic Growth
The Board is aware of shareholders sentiment regarding investments and weighs up the need of higher return to investors against the desire to make investment decisions for organic growth. During the year, the Board made the decision to further support, grow, and develop the Group's presence in Germany, along with establishing a fully incorporated entity in Riyadh, Saudi Arabia, and also incorporating an entity in Delaware, USA.

The Group approved a budget that enables the Group to effectively manage productivity by investing in:

- front and back office technologies (e.g. Bullhorn, Cube- 19, and Sage Cloud solutions)
- providing greater central support for training, marketing, and technology

Business Conduct Standards
The Directors recognise the importance of corporate governance, and a description of how the Board complies with the QCA Corporate Governance Code (the "Code") can be found on pages 15 and 16 of this Annual Report.

The Board believes that modern slavery and human trafficking are significant global issues, presenting a challenge for business worldwide and has committed to continually review its practices in this regard. The Directors are committed to ensuring that the Company and the Group subsidiaries act ethically and with integrity in their business dealings.

The Board expects all of its colleagues to observe the high standards contained within the Group's policies in relation to bribery and corruption, data protection, equality, diversity and inclusion, cyber security, fraud and whistleblowing, each of which is reinforced though appropriate policies and training.

Dugald Macdonald
Group Commercial Director

22 July 2021

Report of the Directors for the Year Ended 31 March 2021

The Directors submit their report and the audited Group financial statements of Prime People Plc for the year ended 31 March 2021. Prime People Plc is a public listed company, incorporated and domiciled in England and its shares are quoted on the AIM Market.

Directors

The Directors who served during the year were:
Robert Macdonald
Peter Moore
Donka Zaneva-Todorinski (resigned 31 March 2021)
Chris Heayberd
Sir John Lewis OBE

Immediately following the year end, Dugald Macdonald was appointed a director with effect from 1 April 2021.

As permitted by legislation, the Group has chosen to set out the information regarding likely financial risk management objectives and policies and future developments in the business of the company, which would otherwise be required to be contained in the Director's Report, within the Strategic Report.

Share Interests

As at 22 July 2021, other than the Director's interests shown in the Directors' remuneration report on page 21 the Company was not required to notify any interests under the Disclosure Guidance and Transparency Rules.

The mid-market quotation of the Company's ordinary shares at close of business on 31 March 2021 was 61.5p. The highest and lowest mid-market quotations in the period from 1 April 2020 to 31 March 2021 were 75p and 41.5p, respectively.

Going concern

The Group has two revenue streams, Permanent and Contract recruiting and provides these services across several established international markets.

Covid-19 has created an unprecedented short to medium term challenge for all of the Group's markets, and as a result, the Group secured a £2m CBILS loan, repayable over 6 years commencing in August 2021, to support the Group, until revenue visibility and stability resumes. Strict cost control measures have been implemented across all divisions and will continue for the foreseeable future.

The Group continues to also have access to an Invoice Discounting facility of up to £2m in the UK, which provides working capital underpinned by the contract receivables' ledger. The facility is renewed annually in April.

Trading and cash flow forecasts for a period of at least 12 months from the date of approval of the financial statements have been prepared for each of the Group's autonomous trading segments and are reviewed and challenged biweekly by a sub-committee of the Board. The sub - committee reviews the monthly cash collection forecast, debtor collection assumptions for the upcoming three months, disbursement control and change in cash balances 12 months forward. The Commercial Director reviews weekly the status of all major clients' outstanding balances. The Directors have accepted government approved liability deferral schemes and provided greater job security for its employees by participating in the Government Job Retentions Scheme, in the UK and similar arrangements overseas. The cash forecasts prepared by management show that all deferred liabilities are paid in full by January 2022.

Going concern (continued)

The forecast models revenues and cash collections and cost outflows across the Group for the period July 2021 to July 2022. Management have modelled a number of scenarios assessing the impact of a reduction in cash collections, as well as assessing the actions that could be taken to reduce the impact of these such as negotiating new payment plans with creditors or looking to equity funding.

After reviewing these forecasts, including careful consideration of downside risk trading scenarios, and having made appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for a period of at least 12 months. Consequently, the Board continues to adopt the going concern basis when preparing the financial statements.

Environmental Policy

The Group recognises its responsibilities for the environment and gives due consideration to the possible effects of its activities on the environment. As such, our environmental impact comes from the running of our business generating carbon emissions through the consumption of gas and electricity, transport activities and commuting, as well as office-based waste such as paper and toners. We do not consider that the Group's activities have a major effect on the environment. However, it is the Group's aim to reduce the environmental impact of its activities and to operate in an environmentally responsible manner. We are, therefore, committed to the following principles to ensure the business operates in an environmentally sensitive manner:

- Encouraging the re-use and re-cycling of products and waste from our offices;
- Ensuring efficient use of materials and energy; and
- Purchasing environmentally friendly materials where appropriate.

Political Donations

The Group made no political donations during the year (2020: £nil).

Workplace Pensions

In line with the law on workplace pensions the Group continues to operate a defined contribution plan and automatically enrols certain UK employees into the NEST pension scheme.

Capital Structure

Details of the allotted and issued share capital are shown in note 18. The Company has one class of ordinary shares which carry no right to fixed income and which represents 100% of the total issued nominal value of all share capital. Each share carries the right to one vote at general meetings of the company.

Details of employee share schemes are set out in note 18.

Dividend

During the year no dividend was paid (2020: 1.8p).

Annual General Meeting ("AGM")

The 2020 AGM was held on 22 September 2020 at 11:00am at 2 Harewood Place, London, W1S 1BX. All resolutions put to Shareholders (as detailed in Note 18) were duly passed on a show of hands.

This year's AGM will be held at 2 Harewood Place, London, W1S 1BX on 1 September 2021 at 11:00am. All shareholders are encouraged to attend. The resolutions to be put forward to the AGM are detailed in the Notice of AGM, which is being circulated separately to all shareholders.

Authority to purchase own shares

The Directors renewed their authority at the AGM held on 22 September 2020 to purchase through the market, up to 15% of the Company's issued share capital, subject to certain restrictions on price.

During the year the Company purchased 190,000 shares (2020: 19,000 shares). The purchased shares were held in Treasury.

Statement as to disclosure of information to auditors

The Directors, who were in office on the date of approval of these financial statements, have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. The Directors have confirmed that they have taken appropriate steps to make them aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor

Crowe U.K. LLP has expressed its willingness to continue in office and a resolution to re-appoint the firm as Auditor and authorising the Directors to set their remuneration will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Peter Moore
Managing Director

22 July 2021

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, 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 International Financial Reporting Standards (IFRSs') as adopted by the EU 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 Company and the Group profit or loss 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.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- 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 enough 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.

They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Prime People Plc web site is the responsibility of the directors.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Corporate Governance

Statement by the Directors on Corporate Governance

The Board considers it important that appropriately high standards of corporate governance are maintained. They have therefore put in place governance structures and provide information which would be expected for a company quoted on the AIM Market of the London Stock Exchange. The Group has adopted the QCA Governance Code (the "Code"), so this report follows all required disclosures.

A statement of the Directors' responsibilities in respect of the financial statements is set out on page 14.

The Board has established two committees, being the Audit Committee and the Remuneration Committee, each of which operates with defined terms of reference.

Membership of these committees as at the date of this report, the number of meetings held in 2021 and the attendance record are summarised in the table below:

Directors	Board	Audit Committee	Remuneration Committee
Robert Macdonald – Executive Chairman	9/9 (Chair)	N	N
Peter Moore – Managing Director	9/9	N	N
Donka Zaneva-Todorinski – Finance Director (resigned 31 March 2021)	8/9	N	N
Chris Heayberd – Non-Executive Director	9/9	1/1 (Chair)	1/1
Sir John Lewis – Non-Executive Director	9/9	1/1	1/1 (Chair)
Dugald Macdonald –Commercial Director (appointed 1 April 2021 - post year end)	n/a	n/a	n/a

Below is a brief description of the role of the Board and its Committees, followed by a statement regarding the Group's system of internal controls.

The Board and its Operation

The Board of Prime People Plc is the body responsible for corporate governance, establishing policies and objectives, and reviewing the management of the Group's resources.

The Board consists of an Executive Chairman, Robert Macdonald, two other Executive Directors and two Non-Executive Directors.

The Non-Executive Directors are John Lewis and Chris Heayberd. They receive a fixed fee for their services and their interests in the shares of the Company are set out in the Remuneration Report on page 20.

Biographical details for all the Directors are shown on page 75.

The Board meets at least six times each year, or more frequently where business needs require, and the Directors receive monthly management accounts detailing the performance of the Group. The Board has a general responsibility for overseeing all day to day matters of the Group with specific responsibility for; reviewing trading performance; resources (including key appointments); setting and monitoring strategy; examining acquisition opportunities; and reporting to shareholders.

Corporate Governance

The Board and its Operation (continued)

The Non-Executive Directors have a responsibility to ensure the strategies proposed by the Executive Directors are fully considered and to bring their judgment to bear in this role.

To enable the Board to function effectively and Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including monthly business progress reports and discussion documents regarding specific matters.

Directors are free to, and regularly make further enquiries where they feel it is necessary and they can take independent professional advice as required at the Company's expense. This is in addition to the access which every Director has to the Company Secretary.

Given the size of the Board, there is no separate Nomination Committee and appointments to the Board of both Executive and Non-Executive Directors are considered and approved by the full Board.

The Board has considered the matter of the independence of its Non-Executive Directors all of whom have served for more than 5 years or have had previous executive roles. As the Board considers itself to be a “small Board” and having regard to the professional qualifications, standing and skill levels derived from their other directorships of its Non-Executive Directors, as set out in Biographical details for all the Directors on page 75, it considers their level of independence to be adequate. Furthermore, no board performance evaluation is undertaken for the same reasons.

The Senior Independent Director, Sir John Lewis OBE, is the main point of contact for Shareholders if there are any concerns that cannot be addressed through the Chairman or Executive Directors.

The Senior Independent Director provides advice and support to the Executive Directors, by holding monthly meetings with the Chairman.

The Company Secretary is responsible for advising the Board on its governance procedures and compliance with company law, the AIM Rules and relevant best practice, and for ensuring that the Board receives the information it needs in a timely manner to fulfil its duties effectively. All Directors have access to the Company Secretary and their appointment (or termination of appointment) is a matter for decision by the full Board.

Any Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek reappointment by shareholders at the next Annual General Meeting. The Articles also require the Directors to retire by rotation every third year and to seek reappointment at the Annual General Meeting.

The Executive Directors abstain from any discussion or voting at full board meetings on Remuneration Committee recommendations where the recommendations have a direct bearing on their own remuneration package.

Remuneration of Non-Executive Directors is determined by the Board. Non-executive Directors abstain from discussions concerning their own remuneration.

The Company publishes a full Annual Report and financial statements which are available on the Prime People website, to Shareholders on request and to other parties who have an interest in the Group's performance.

All shareholders can put questions to the Board at the Company's Annual General Meeting.

Corporate Governance

Remuneration Committee

The Remuneration Committee comprises the two Non-Executive Directors of the Company and is chaired by Sir John Lewis OBE.

The committee reviews the Group policy on the Executive Directors' remuneration and terms of employment; makes recommendations on this; and approves the provision of policies for the remuneration of senior employees, including share schemes.

The principal terms of reference of the committee are set out in the Remuneration Report on page 20. The report also contains full details of Directors' remuneration and a statement of the Company's Remuneration Policy. The committee meets when required to consider all aspects of the Executive Directors' remuneration, drawing on outside advice as necessary.

Internal Controls

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness which, by its nature, can only provide reasonable and not absolute assurance against material misstatement or loss.

When undertaking their review, the Directors have considered all material controls including operational, compliance and risk management, as well as financial.

The Board has assessed the effectiveness of the Group's internal control systems for the period 1 April 2020 to the date of approval of the financial statements and believes it has the procedures in place to safeguard the Group's assets and to ensure the reliability of information used within the business and for publication.

Key elements of the system of internal control are as follows:

Group Organisation
The Board of Directors meets up to six times a year and more frequently when required focusing mainly on strategic issues, operational and financial performance. The Directors have in place an organisational structure with clearly defined levels of responsibility and delegation of authority.

The Operational Management Board meets quarterly. It acts as a conduit between the Board of Directors and the Group subsidiaries by providing information, advice and guidance to all staff. It has responsibilities for setting up, monitoring and control of the business operations globally.

Annual Business Plan
The Group has a comprehensive budgeting system with an annual budget approved by the Board.

Monthly Forecasting
The Group prepares monthly fee income forecasts by individual businesses which are compared to budget.

Financial Reporting
Detailed monthly reports are produced showing a comparison of results against budget, forecast and the prior year with performance monitoring and explanations provided for significant variances. Any significant adverse variances are examined, and remedial action taken where necessary.

Capital Expenditure
Capital expenditure requests are reviewed by the Board. Appropriate due diligence work will be carried out if a business is to be acquired.

Corporate Governance

Internal Controls (continued)

Levels of authority
There are clear levels of authority, delegation and management structure.

Risk Management
The Directors and operating Company management have a clear responsibility for identifying risks facing each of the businesses and for putting in place procedures to mitigate and monitor risks. Risks are assessed during the annual budget process, which is monitored by the Board, and the ongoing Group strategy process.

Whistle blowing Policy

The Company is committed to maintaining the highest ethical standards and the personal and professional integrity of its employees, suppliers, contractors and consultants. It encourages all individuals to raise any concerns that they may have about the conduct of others in the business or the way in which the business is run. The aim of the policy is to ensure that, as far as is possible, our employees are able to tell us about any wrongdoing at work which they believe has occurred or is likely to occur.

Dialogue with shareholders

Many of those who continue to hold shares in the Company are, or have been, employed within the business. The original owners of Macdonald & Company Group still hold considerable share interests and retain a strong interest in the Company's success and reputation.

The Board consider that the Annual Report and Accounts, in its entirety is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

Robert Macdonald
Chairman

22 July 2021

Audit Committee Report

Audit Committee

The Audit Committee comprises the two Non-Executive Directors of the Company and is chaired by Chris Heayberd. During the year the committee met once which was considered sufficient by both committee members to deal with matters referred to it in the year. By invitation, the meetings are also attended by senior members of the executive team and also the company secretary.

The Audit Committee's principal tasks are to ensure the integrity of the Company's financial reporting process, review the effectiveness of the Group's internal controls including risk management, review the effectiveness and scope of the work of the external auditor and their independence, consider issues raised by the external auditor, review audit effectiveness and review the half-yearly and Annual Report focusing in particular on accounting policies and compliance and on areas of management judgement and estimates.

During the year ended31 March 2021, the Committee's primary activity involved meeting with the external auditors, considering material issues and areas of judgement, and reviewing and approving the interim and Annual Report. The Audit Committee:

- met with the external Auditors to review and approve the annual audit plan and receive their findings and report on the annual audit;
- considered significant matters and areas of judgement with the potential to have a material impact on the financial statements;
- considered the integrity of the published financial information and whether the Annual Report and Accounts taken are fair and balanced and provide the information necessary to assess the Group's performance, business model and strategy; and
- reviewed and approved the Interim and Annual Report and Financial Statements

External Audit

The Committee has primary responsibility for the relationship between the Group and its external auditor.

The independence of the auditor is kept under review and is reported on as part of the Audit Findings Report presented to the Committee by the Auditor.

To safeguard the objectivity and independence of the external auditor, the Committee monitors the external auditor's proposed scope of work and the value of fees paid, to ensure that independence is not compromised.

The Committee concluded that Crowe UK LLP are delivering the necessary audit scrutiny and that the taxation services provided did not pose a threat to their objectivity and independence.

The Committee recommended to the Board that Crowe UK LLP be re-appointed as the Group's statutory Auditor for the next financial year.

Whistle blowing and anti-corruption Policy

There were no "whistleblowing" (public interest) disclosures during the year.

This report was approved by the Audit Committee and the Board on 22 July 2021 and was signed on its behalf by:

Chris Heayberd
Chairman of the Audit Committee

Remuneration Report

The role of the Remuneration Committee

The Remuneration Committee met once this year and comprises Sir John Lewis and Mr Chris Heayberd. The Committee is chaired by Sir John Lewis OBE.

The purpose of the Remuneration Committee is to review, on behalf of the Board, the remuneration policy for the Chairman, Executive Directors and other Senior Executives and to determine the level of remuneration, incentives and other benefits, compensation payments and terms of employment of the Executive Directors and other Senior Executives. It seeks to provide a remuneration structure that strongly aligns the interests of management with those of shareholders.

Remuneration Policy

The main aim of the Committee is to attract, retain and motivate high calibre individuals with a compensation comprising of basic salary, incentives and rewards which are linked to the overall performance of the Group and which are comparable to pay levels in companies of similar size and in similar business sectors.

Directors' Service Contracts

The Executive Chairman and Managing Director have service contracts which contain a notice period of one year which are terminable by either party giving one year's notice. The service contracts also contain restrictive covenants preventing them from competing with the Group for one year following the termination of employment and preventing both Directors from soliciting key employees, clients and candidates of the employing Group and Group companies for 12 months following termination of employment. There are no provisions for liquidated damages on the early termination of any of the Directors' service contracts, nor provisions for mitigating damages.

The Commercial Director, Dugald Macdonald, who was appointed a Director of the Company on 1 April 2021, has a service contract which contains a notice period of 6 months which is terminable by either party giving 6 months' notice. The service contract also contained restrictive covenants preventing him from competing with the Group for 6 months following the termination of employment and preventing him from soliciting key employees, clients and candidates of the employing Group and Group companies for 6 months following termination of employment.

The previous Finance Director, Donka Zaneva-Todorinksi, had a service contract which was terminable by either party giving 6 months' notice. This notice period was waived through mutual agreement when she left the Group's employment on 31 March 2021 with only serving 1 months' notice. The service contract also contained restrictive covenants preventing her from competing with the Group (with the exclusion of real estate or property sectors in competition with the company) for 6 months following the termination of employment and preventing her from soliciting key employees, clients and candidates of the employing Group and Group companies for 6 months following termination of employment.

Non-Executive Directors' Remuneration and Terms of Services

All Non-Executive Directors have letters of appointment which entitle either party to give three months' notice. The remuneration of the Non-Executive Directors is determined by the Board. The Non-Executive Directors do not receive any pension or other benefits, other than out of pocket expenses, from the Group, nor do they participate in any bonus schemes.

Executive Remuneration

The remuneration agreed by the Committee for the Executive Directors contains some or all of the following elements: a base salary and benefits, defined pension contributions, an annual bonus reflecting Group and individual performance and share options.

Remuneration Report

Base Salary and Benefits

The Committee establishes salaries and benefits by reference to those prevailing in the employment market generally for Executive Directors of companies of comparable status and market value. Reviews of such base salary and benefits are conducted annually by the Remuneration Committee.

Emoluments of Directors

The aggregate emoluments of Directors who served during the year are shown in the table below. Emoluments include management salaries, pension contributions, fees as Directors and benefits. Emoluments shown are in respect of each Director's period in office during the year as a Board member of Prime People Plc and include emoluments from the Company and its subsidiary undertakings.

	Notes	Salaries and fees	Benefits	Pension	Loss of office	2021 Total	2020 Total
		£	£	£	£	£	£
Executive Chairman							
Robert Macdonald		126,807	9,329	-		136,136	133,121
Executive Directors							
Peter Moore	1, 2 & 3	203,607	3,457	1,313		208,377	209,979
Donka Zaneva-Todorinski	2, 3 & 4	120,000	1,922	1,313	80,000	203,235	122,961
Non-Executive Directors							
Sir John Lewis OBE		26,457	-	-		26,457	26,458
Simon Murphy	5	-	-	-		-	22,048
Chris Heayberd		26,458	-	-		26,458	23,812
		503,329	14,708	2,626	80,000	600,663	538,379

Notes to the emoluments:

1. Peter Moore is the highest paid Director.
2. Benefits include subscriptions, medical and travel allowance.
3. Pension includes the cash value of the Group contribution to defined contribution pension plans.
4. Donka Zaneva-Todorinski stepped down from the Board on 31 March 2021.
5. Simon Murphy stepped down from the Board on 3 February 2020.
6. Dugald Macdonald was appointed on 1st April 2021 – after the year end

Remuneration Report

Directors' interests in shares

Directors' beneficial interest in the shares of the Company at 31 March 2021 were as follows:

	Ordinary shares of 10p each held at 31 March 2021	Percentage of issued share capital at 31 March 2021	Ordinary shares of 10p each held at 31 March 2020	Percentage of issued share capital at 31 March 2020
Robert Macdonald	2,794,000	23.06%	2,794,000	22.70%
Peter Moore	2,909,221	24.01%	2,907,721	23.63%
Donka Zaneva-Todorinski	17,500	0.14%	17,500	0.14%
Sir John Lewis	1,094,750	9.03%	1,094,750	8.90%
Simon Murphy	n/a	n/a	100,000	0.81%
Chris Heayberd	24,000	0.20%	24,000	0.20%

Share option schemes

As at 31 March 2021 Directors' options on ordinary shares of 10p each granted under the Prime People Enterprise Management Incentive Scheme, were as follows:

Director	Year of grant	Exercise price	Number of options 31 March 2020	Cancelled	Number of options 31 March 2021
Donka Zaneva-Todorinski	2015/16	58.00p	10,000	(10,000)	-

Directors' Insurance

Directors' and Officers' liability insurance is provided at the cost of the Group for all Directors.

Annual Resolution

Shareholders will be given the opportunity to approve the Remuneration Report at the next Annual General Meeting.

Sir John Lewis OBE
Chairman of the Remuneration Committee

22 July 2021

Independent Auditor's Report to the Members of Prime People Plc

Opinion

We have audited the financial statements of Prime People Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 March 2021, which comprise:

- the Group statement of comprehensive income for the year ended 31 March 2021;
- the Group and parent company statements of changes in equity for the year then ended
- the Group and parent company statements of financial position as at 31 March 2021;
- the Group and parent company statements of cash flows for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2021 and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applied in accordance with the provisions 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 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 director's use of the going concern basis of accounting in the preparation of the financial statements for the Group and parent company is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Gain an understanding of how management prepares their going concern assessment and review the underlying assumptions
- Reviewing the forecasted period from July 2021 – July 2022 against the prior year forecast from October 2020 – October 2021 to detect any significant movements between the two periods
- Performing a stress test on assumptions included within the forecast, for cash collections and debtor days, to see what change would result in there being nil cash within the group at different points throughout the period to July 2022.
- In addition to the above stress testing, a stress test model was performed to see if the CBILs loan was recalled, what reduction in cash collections would result in a nil cash balance as at March 2022 as the CBILs covenants is assessed based on year end financial statements
- Confirming the opening cash balance for July 2021 back to bank statements for all balances above £100,000

- Reviewing the covenant associated to the CBILs loan in association with the forecast period for March 2022

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 and 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.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £80,000 (FY20 £150,000). Due to COVID-19, the profit for the 2021 financial year is not considered normal and because of this, we have taken the prior year revenue of £29.3M and compared it against the current year revenue £17.8m and applied a similar reduction in revenue against the prior year materiality to bring it to a current year materiality of £80,000.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality has been set at £57,000 (2020: £107,000).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £5,000 (2020: £4,500). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group's operations are mainly based in the UK, Hong Kong and Singapore. We performed a full scope Group audit on all trading components of the Group. The finance function is based in the UK at one central operating location. Due to the impact of the COVID-19 pandemic, the team were unable to physically visit this location and so the full scope audit has been performed remotely.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the key audit matters listed below, going concern was also identified as a key audit matter which is commented upon in the section conclusions relating to going concern above.

This is not a complete list of all risks identified by our audit.

Independent Auditor's Report (continued)

Key audit matter	***How the scope of our audit addressed the key audit matter***
Impairment of goodwill and investment There is a risk that the carrying value of goodwill may be higher than the recoverable amount. Management has performed a full impairment review for goodwill and have identified a £0.02m impairment in respect of the Hong Kong CGU but have chosen not to recognise the impairment on the basis of materiality. Linked to this goodwill is the value of investment carried in the company statement of financial position in respect of its immediate subsidiary where there has been no impairment recognised. When a review for impairment is conducted, the recoverable amount is determined based on value in use (VIU) calculations which rely on the directors' assumptions and estimates of future trading performance. The key assumptions applied by the directors in the impairment reviews are country-specific discount rates, future growth and the terminal value applied to the VIU calculations. Due to the potential significance and subjectivity of the above judgements to the group, this is deemed to be a key audit matter.	We evaluated the process in which directors' future cash flow forecasts were produced and challenged the underlying assumptions. In addition, there were a number of challenges around the calculation of the value in use the directors produced. We compared management's forecast against market data and compared to pre-pandemic levels of trade. We challenged management regarding: - The key assumptions for short- and long-term growth rates in the forecasts by comparing them with economic and industry forecasts for the UK recruitment market; and - The discount rate used in the calculations by assessing the cost of capital for the Group and comparable organisations. - The calculation behind the terminal value and reasonableness of the inputs behind this We performed sensitivity analysis on the key assumptions within the cash flow forecasts to support the conclusions reached. This included sensitising the discount rate applied to the future cash flows, the short and longer-term growth rates, and the terminal value. We ascertained the extent to which a change in these assumptions, either individually or combined, would result in a material change to the value of impairment arising, and considered the likelihood of such events occurring. We also ensured that sufficient and appropriate disclosure regarding such events was included in the Group's financial statements.

Independent Auditor's Report (continued)

Revenue recognition	
The group generates revenue from the provision of recruitment consultancy services, which consists of revenue from contractors and permanent placements. In respect of revenue recognition, the accounting policy is described on page 41. The risk of material misstatement in relation to revenue recognition concerns the recognition around the year end, particularly in relation to contractor placements. Revenue is recognised for contractor placements when the service has been provided. There is a significant judgement involved at the period end as to the amount of accrued cost for these contractors that the group are liable to and therefore the amount of corresponding revenue that should be recognised. In view of the judgements involved and the significance of this matter to the determination of group revenue, we consider this to be an area giving rise to significant risk of material misstatement in the financial statements.	Our audit procedures included comparing management's accounting policy with the accounting standard and its disclosure requirements. We reviewed the terms included in the Group's Terms of Business to ensure these were aligned with the accounting policy and the standard. We performed following procedures on all trading components: - We assessed the design and implementation of key controls around all streams of revenue recognised. - We selected a sample of revenue transactions for detailed transaction testing to verify that the revenue recognition criteria had been met and to verify that the transaction had actually occurred and was recorded at the correct value. We performed analytical procedures including comparing revenue both to the prior year on a monthly basis, and in the year from month to month, together with a comparison of current year performance to budgeted figures. Where we identified unusual or unexpected variances or anomalies we investigated these further seeking, and evaluating, explanations from management. - We tested the accrued income associated with work performed by contractors and temporary workers before the year end, by comparing the amounts to timesheets submitted after year end. - We performed period-end cut off testing focusing on material items to check all revenue recognition criteria had been met and revenue had been recognised in the correct period. - We considered whether the revenue and cost recognition policies comply with Accounting Standards, with specific reference to IFRS 15.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

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

Independent Auditor's Report (continued)

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their 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 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 14, 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 group's and 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.

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.

Independent Auditor's Report (continued)

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:

- completing a risk-assessment process during planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of Directors' minutes;
- enquiry of management, about litigation and claims and inspection of relevant correspondence
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgement and estimates including goodwill and investment impairment, revenue recognition and recoverability of trade receivables;
- consideration of management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements

A further description of our responsibilities is available 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.

Matthew Stallabrass (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

22 July 2021

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Revenue	2, 3	**17,802**	23,992
Cost of sales		**(6,870)**	(8,471)
Net Fee Income	2, 3	**10,932**	15,521
Administrative expenses		**(11,756)**	(13,560)
Goodwill impairment	11	**-**	(4,018)
Other operating income (Covid related Governmental support)		**707**	-
Operating loss	4	**(117)**	(2,057)
Net interest payable		**(56)**	(76)
Loss before taxation		**(173)**	(2,133)
Income tax credit/(expense)	7	**5**	(175)
Loss for the year		**(168)**	(2,308)
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
Exchange loss on translating foreign operations		**(267)**	(105)
Other Comprehensive loss for the year, net of tax		**(267)**	(105)
Total comprehensive loss for the year		**(435)**	(2,413)
Loss attributable to:			
Equity shareholders of the parent		**(36)**	(2,384)
Non-controlling interest		**(132)**	76
Total comprehensive loss attributable to:			
Equity shareholders of the parent		**(303)**	(2,489)
Non-controlling interest		**(132)**	76
Loss per share	9		
Basic loss per share		**(0.30)p**	(19.36)p
Diluted loss per share		**(0.30)p**	(19.36)p

The above results relate to continuing operations.

Consolidated Statement of Changes in Equity
For the year ended 31 March 2020

	Called up share capital £'000	Capital Redemption reserve £'000	Treasury shares £'000	Share premium account £'000	Merger reserve £'000	Share option reserve £'000	Translation reserve £'000	Retained Earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
At 31 March 2019	**1,229**	**9**	**(161)**	**5,371**	**173**	**337**	**596**	**6,857**	**14,411**	**588**	**14,999**
Loss for the year	-	-	-	-	-	-	-	(2,384)	(2,384)	76	(2,308)
Other comprehensive loss	-	-	-	-	-	-	(105)	-	(105)	-	(105)
Total Comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(105)**	**(2,384)**	**(2,489)**	**76**	**(2,413)**
IFRS16 adjustment for leases	-	-	-	-	-	-	-	(297)	(297)	-	(297)
Transactions with owners of the company											
Adjustment in respect of share options	-	-	-	5	-	(150)	-	236	91	-	91
Issue of ordinary shares	2	-	-	-	-	-	-	-	2	-	2
Capital repayment	-	-	-	(2,000)	-	-	-	-	(2,000)	-	(2,000)
Shares purchased for treasury	-	-	(23)	-	-	-	-	-	(23)	-	(23)
Shares issued from treasury	-	-	34	-	-	-	-	-	34	-	34
Adjustment on share disposal	-	-	150	-	-	-	-	(150)	-	-	-
Dividend	-	-	-	-	-	-	-	(948)	(948)	-	(948)
At 31 March 2020	**1,231**	**9**	**-**	**3,376**	**173**	**187**	**491**	**3,314**	**8,781**	**664**	**9,445**

Consolidated Statement of Changes in Equity
For the year ended 31 March 2021

	Called up share capital £'000	Capital Redemption reserve £'000	Treasury shares £'000	Share premium account £'000	Merger reserve £'000	Share option reserve £'000	Translation reserve £'000	Retained Earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
At 31 March 2020	**1,231**	**9**	**-**	**3,376**	**173**	**187**	**491**	**3,314**	**8,781**	**664**	**9,445**
Loss for the year	-	-	-	-	-	-	-	(36)	(36)	(132)	(168)
Other comprehensive loss	-	-	-	-	-	-	(267)	-	(267)	-	(267)
Total Comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(267)**	**(36)**	**(303)**	**(132)**	**(435)**
Transactions with owners of the company											
Adjustment in respect of minority dividend	-	-	-	-	-	-	-	(152)	(152)	-	(152)
Adjustment in respect of share schemes	-	-	-	-	-	76	-	-	76	-	76
Shares purchased for treasury	-	-	(103)	-	-	-	-	-	(103)	-	(103)
Adjustment in respect of share options	-	-	-	-	-	(24)	-	24	-	-	-
At 31 March 2021	**1,231**	**9**	**(103)**	**3,376**	**173**	**239**	**224**	**3,150**	**8,299**	**532**	**8,831**

Consolidated Statement of Financial Position

As at 31 March 2021

	Note	2021 £'000	2020 £'000
Assets			
Non – current assets			
Goodwill	11	**6,509**	6,509
Property, plant and equipment	10	**1,284**	1,890
		7,793	8,399
Current assets			
Trade and other receivables	13	**3,061**	3,868
Deferred tax asset	17	**40**	40
Cash at bank and in hand	22	**3,980**	2,055
		7,081	5,963
Total assets		**14,874**	14,362
Liabilities			
Current liabilities			
Trade and other payables	15	**3,140**	3,205
Lease liabilities		**533**	497
Current tax liability		**95**	166
Deferred tax liability	17	**22**	22
		3,790	3,890
Non-current liabilities			
Borrowings	16	**1,733**	-
Lease liabilities		**520**	1,027
Total liabilities		**6,043**	4,917
Net assets		**8,831**	9,445

Consolidated Statement of Financial Position
As at 31 March 2021

	Note	2021 £'000	2020 £'000
Capital and reserves attributable to the Company's equity holders			
Called up share capital	18	**1,231**	1,231
Capital redemption reserve	19	**9**	9
Treasury shares	19	**(103)**	-
Share premium account	19	**3,376**	3,376
Merger reserve	19	**173**	173
Share option reserve	19	**239**	187
Translation reserve	19	**224**	491
Retained earnings	19	**3,150**	3,314
		8,299	8,781
Non-controlling interest		**532**	664
Total equity		**8,831**	9,445

The financial statements on pages 29 to 71 were approved by the Board of Directors and authorised for issue on 22 July 2021 and are signed on its behalf by:

R J G Macdonald P H Moore

Company Statement of Financial Position
As at 31 March 2021

	Note	2021 £'000	2020 £'000
Assets			
Non-current assets			
Investment in subsidiaries	12	**7,189**	7,137
		7,189	7,137
Current assets			
Trade and other receivables	13	**4,054**	3,145
Cash and cash equivalents	22	**556**	876
		4,610	4,021
Total assets		**11,799**	11,158
Liabilities			
Current liabilities			
Trade and other payables	15	**2,580**	3,912
Current tax liability		**-**	3
		2,580	3,915
Non-current liabilities			
Borrowings	16	**1,733**	-
		1,733	-
Total liabilities		**4,313**	3,915
Net assets		**7,486**	7,243
Capital and reserves attributable to the Company's equity holders			
Called up share capital	18	**1,231**	1,231
Capital redemption reserve fund	19	**9**	9
Treasury shares	19	**(103)**	-
Share premium account	19	**3,376**	3,376
Merger reserve	19	**173**	173
Share option reserve	19	**239**	187
Retained earnings	19	**2,561**	2,267
Total equity		**7,486**	**7,243**

Company Statement of Financial Position
As at 31 March 2021

The Company's retained earnings includes profit/(loss) for the year of £294,034 (2020: (£524,296)).

The financial statements of Prime People Plc, Company Number 01729887 were approved by the Board and authorised for issue on 22 July 2021 and are signed on its behalf by:

R J G Macdonald D J G Macdonald

Company Statement of Changes in Equity
For the year ended 31 March 2021

Company	Called up share capital £'000	Capital Redemption reserve £'000	Treasury shares £'000	Share premium account £'000	Merger reserve £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
At 31 March 2019	**1,229**	**9**	**(161)**	**5,371**	**173**	**337**	**3,576**	**10,534**
Total comprehensive loss for the year	-	-	-	-	-	-	(524)	(524)
Issue of ordinary shares	2	-	-	-	-	-	-	2
Adjustment for share schemes	-	-	-	5	-	-	(5)	-
Capital repayment	-	-	-	(2,000)	-	-	-	(2,000)
Shares purchased for treasury	-	-	(23)	-	-	-	-	(23)
Shares issued from treasury	-	-	34	-	-	-	-	34
Adjustment on share disposal	-	-	150	-	-	(150)	(150)	(150)
Dividend	-	-	-	-	-	-	(630)	(630)
At 31 March 2020	**1,231**	**9**	**-**	**3,376**	**173**	**187**	**2,267**	**7,243**
Total comprehensive loss for the year	-	-	-	-	-	-	294	294
Shares purchased for treasury	-	-	(103)	-	-	-	-	(103)
Adjustment in respect of share options	-	-	-	-	-	52	-	52
At 31 March 2021	**1,231**	**9**	**(103)**	**3,376**	**173**	**239**	**2,561**	**7,486**

Group and Company Cash Flow Statement

For the year ended 31 March 2021

		Group		Company	
		2021	2020	2021	2020
	Note	£'000	£'000	£'000	£'000
Cash generated from (used in) underlying operations	21	**2,016**	3,642	**10**	(276)
Corporation tax paid		**(125)**	(160)	**(9)**	(8)
Net cash from/ (used in) operating activities		**1,891**	3,482	**1**	(284)
Cash flows (used in)/ from investing activities					
Interest received		**5**		**5**	
Net purchase of property, plant and equipment, and software		**(75)**	(122)	**-**	-
Dividend received		**-**	-	**300**	3,450
Net cash (used in)/from investing activities		**(70)**	(122)	**305**	3,450
Cash flows from financing activities					
Interest paid		**(13)**	-	**-**	-
Issue of ordinary share capital		**-**	2	**-**	2
Shares issued from treasury		**-**	-	**-**	34
Shares purchased for treasury		**(103)**	(21)	**(103)**	(21)
Shares issued and moved to treasury		**-**	-	**-**	(2)
Return of capital from share premium		**-**	(2,000)	**-**	(2,000)
Dividend paid to shareholders		**-**	(948)	**-**	(625)
Dividend paid to non-controlling interest		**(152)**	-	**-**	-
Repayment of intercompany debt		-	-	**(2,523)**	-
Repayment of Invoice discounting loan		**(822)**	-	**-**	-
Coronavirus Business Interruption Loan		**2,000**	-	**2,000**	-
Lease payments		**(519)**	(566)	**-**	-
Net cash from / (used in) financing activities	22	**391**	(3,533)	**(626)**	(2,612)
Net (decrease)/ increase in cash and cash equivalents		**2,212**	(173)	**(320)**	554
Cash and cash equivalents at beginning of the year		**2,055**	2,309	**876**	322
Effect of foreign exchange rate changes		**(287)**	(81)	**-**	-
Cash and cash equivalents at the end of the year	23	**3,980**	2,055	**556**	876

Notes to the Financial Statements
For the year ended 31 March 2021

1 Nature of Operations

Prime People Plc ('the Company') and its subsidiaries (together 'the Group') is an international recruitment services organisation with offices in the United Kingdom, the Middle East and the Asia Pacific region from which it serves an international client base. The Group offers both Permanent and Contract specialist recruitment consultancy for large and medium sized organisations.

The Company is a public limited company which is quoted as an AIM Company and is incorporated and domiciled in the UK. The address of the registered office and the principal place of business is 2 Harewood Place, London W1S 1BX. The registered number of the Company is 01729887.

2 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements of Prime People Plc consolidate the results of the Company and all its subsidiary undertakings. As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company has not been included as part of these financial statements. The financial statements have been prepared on a going concern basis.

The consolidated financial statements of the Group and Company have been prepared on going concern basis, and in accordance with International Financial Reporting Standards ("IFRS") in conformity with the requirement of the Companies Act and comply with IFRIC interpretations and Company Law applicable to Companies reporting under IFRS, and in accordance with the Companies Act 2006. During the reporting year, the UK left the European Union and therefore the standards will be adopted by the UK. The consolidated financial statements have been prepared under the historical cost convention modified as necessary to include certain items at fair value, as required by accounting standards.

The Parent Company's Financial Statements have also been prepared in accordance with IFRS and the Companies Act 2006. The consolidated financial statements for the year ended 31 March 2021 (including comparatives) are presented in GBP '000.

The accounting polices applied by the Group in these consolidated financial statements are the same as those applied in its consolidated Financial Statements as at and for the year ended 31 March 2020.

International Accounting Standards (IAS/IFRS) and Interpretations in issue but not yet UK approved
At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective. These have not been adopted early by the Group and the initial assessment indicates that either they will not be relevant or will not have a material impact on the Group. The effective dates below are for reporting periods beginning on or after that point:

International Accounting Standards (IAS/IFRS) and Amendments adopted by the UK but not yet effective in the UK

- Amendment to IFRS 16 *Leases Covid 19-Related Rent Concessions* (issued on 28 May 2020), effective 1 June 2020
- Amendments to IFRS 16 *Leases: Covid-19-Related Rent Concessions beyond 30 June 2021* (issued on 31 March 2021), effective 1 April 2021
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020) and Classification of Liabilities as Current or Non-current (issued on 15 July 2020), deferral of effective date to 1 January 2023

Notes to the Financial Statements
For the year ended 31 March 2021

Summary of Significant Accounting Policies (continued)

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021), effective 1 January 2023
- Amendments to: IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (all issued 14 May 2020), effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021), effective 1 January 2023
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021), effective 1 January 2023

IAS 1 – Presentation of Financial Statements

Amendments to IAS 1 clarify the criteria used to determine whether liabilities are classified as current or non-current. This will be based on the Group's right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. 'Settlements' include the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

Consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Acquisition related costs are recognised in profit or loss as incurred. Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions and balances on transactions between Group companies are eliminated in preparing the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Financial Statements
For the year ended 31 March 2021

Summary of Significant Accounting Policies (continued)

Going Concern
The directors have taken consideration of the impact of Covid-19 on the business and the withdrawal of the United Kingdom from the European Union.

The Group's activities are funded by a combination of its operating cashflows, a £2m CBILS loan and an invoice finance facility in the UK of £2m. The Board has reviewed the Group's profit and cash flow forecasts, and applied sensitivities to the underlying assumptions including impact of Covid-19 outbreak and the potential consequences for the Group. These projections indicate that the Group expects to meet its obligations as they fall due with the use of existing facilities and to continue to meet its covenant requirements for a period of not less than 12 months from the date of issue of the Annual Report and Accounts. The Directors note that the Group is trading adequately and has sufficient working capital and other finance available to continue trading for a period of not less than 12 months from the date of issue of the Annual Report and Accounts. As such, the Directors consider it appropriate to continue to prepare the financial statements on a Going Concern basis.

Revenue recognition

a) Revenue

Revenue, which excludes value added tax ("VAT"), constitutes the value of services undertaken by the Group from its principal activities, which are recruitment consultancy and other ancillary services. These consist of:

- Revenue from Contract placements, which represents amounts billed for the services of contract staff, including the salary of these staff. This is recognised over the duration of the placement contract as the service is provided; and

- Revenue from Permanent placements, which is based on a percentage of the candidate's remuneration package and is derived from retained assignments (income is recognised after an offer is accepted and candidate commences employment). Revenue is recognised once value has been received by the customer and when the above performance obligation has been satisfied. A provision is made for certain circumstances where a client may be entitled to a refund based on variable consideration if a candidate that has been placed leaves the role within 3 months; and

- Revenue from franchise, is recognised on an accruals basis in line with the period to which it relates

b) Cost of Sales

Cost of sales consists of the salary cost of contract staff and costs incurred on behalf of clients, principally advertising costs.

c) Net Fee Income

Net Fee Income represents Revenue less Cost of Sales and consists of the total placement fees of Permanent candidates and the margin earned on the placement of Contract candidates.

Notes to the Financial Statements
For the year ended 31 March 2021

Summary of Significant Accounting Policies (continued)

d) Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

(iii) Group Companies

On consolidation the results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each year end presented are translated at the closing rate of that year end;
- income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

e) Government grants

Grants are accounted for under the accruals model. Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure and are shown within other operating income.

f) Intangible Assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible' assets.

Separately recognised goodwill is reviewed annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

Notes to the Financial Statements
For the year ended 31 March 2021

Summary of Significant Accounting Policies (continued)

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with any changes being accounted for on a prospective basis.

g) Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation less provisions for impairment. Depreciation is provided on all property, plant and equipment using the straight-line method at rates calculated to write off the cost less estimated residual values over their estimated useful lives, as follows:

- Furniture, fittings and computer equipment 25% – 33%

The gain or loss arising on disposal or retirement of an asset is determined by comparing the sales proceeds with the carrying amount of the asset and is recognised within profit and loss.

h) Impairment of Assets

Assets that have an indefinite useful economic life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

i) Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position reporting date.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the Financial Statements
For the year ended 31 March 2021

Summary of Significant Accounting Policies (continued)

j) Leases

The Group recognises within the balance sheet a right-of-use asset and a corresponding lease liability for all applicable leases except for short term leases (lease term of 12 months or less) and leases of low value assets (less than £5,000). For those leases the Group has opted to recognise a leases expense on a straight line basis.

New right-of-use assets are measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease.
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).
- using hindsight in determining the lease term where the lease agreement contains options to extend or terminate the contract

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case applying a single discount rate to leases with reasonably similar characteristics. The Group does not have any leases with variable lease payments.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate of return on the balance outstanding and are reduced for lease payments made. Right of use assets are depreciated on a straight line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the revised remaining lease term.

k) Pension Costs

The Group operates a defined contribution pension scheme. The Group adopts both the minimum legally required employer contribution rate of 3% of qualifying earnings, and the maximum earning threshold for automatic enrolment for 2020-21, as set by the Pension Regulator.

The assets of the scheme are held separately from those of the Group in independently administered workplace pension - NEST. The pension costs charged to the income statement represent the contributions payable by the Group to NEST during the year.

The Pension liabilities at the Balance Sheet date represent employer and employee pension contributions, that are payable to the pension provider by the 22nd day of each month.

Notes to the Financial Statements
For the year ended 31 March 2021

Summary of Significant Accounting Policies (continued)

l) Segmental Reporting

IFRS 8 requires operating segments to be identified based on internal reports that are regularly reviewed by the Board of Directors to allocate resources to the segment and to assess their performance.

m) Financial instruments

Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provision of the instrument.

n) Financial assets

The Group's financial assets comprise cash and various other receivable balances that arise from its operations. This includes the Group's trade and other receivables. They are initially recorded at fair value and subsequently measured at amortised cost. For trade receivables amortised cost includes an allowance for expected credit losses. This is assessed applying a provision percentage of expected loss to each of these which is assessed by reference to past default experience. Trade receivables are only written off once the potential of collection is considered to be nil and any local requirements such as withholding sales taxes are met.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced using an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit or loss account.

Cash and cash equivalents include cash in hand and bank deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are classified with current liabilities in the statement of financial position.

o) Financial liabilities and equity

The Group's operating activities in the UK are part funded by Invoice Financing facilities. Movements in the Invoice Discounting balance are shown within financing activities in the Group's Cash flow Statement. Interest charges on invoice discounting are included in finance costs and service charges are included in administrative costs in the Group's Income Statement.

Financial liabilities and equity instruments are initially measured at fair value and are classified according to the substance of the contractual arrangements entered. Financial liabilities are subsequently measured at amortised cost. The Group's financial liabilities comprise trade payables, bank overdrafts and other payable balances that arise from its operations. They are classified as 'financial liabilities measured at amortised cost'.

p) Share-Based Compensation

The Group operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). At the balance sheet date, the number of outstanding options is adjusted to reflect those options that have been granted during the year or have lapsed in the year.

Notes to the Financial Statements
For the year ended 31 March 2021

Summary of Significant Accounting Policies (continued)

q) Dividend Distribution

A final dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividend distributions are recognised in the period in which they are approved and paid.

r) Critical Accounting Estimates and Judgements

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

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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Critical judgements in applying the Group's policies

Revenue Recognition

Revenue from permanent placements is recognised when a candidate commences employment as management considers that to be when the performance obligation is satisfied.

Key sources of estimation uncertainty

Goodwill Impairment

The Group tests goodwill for impairment at least annually. The recoverable amount is determined based on value-in-use calculations. This method requires the estimation of future cash flows and the assessment of a suitable discount rate in order to calculate their present value. Details of the impairment review are disclosed in note 11.

Trade Receivables

There is uncertainty regarding customers who may not be able to pay as their debts fall due. In reviewing the appropriateness of the provisions in respect of recoverability of trade receivables, consideration has been given to the ageing of the debt and the potential likelihood of default, considering current economic conditions. Details of the total amount of receivables past due and the movement in allowance for doubtful debts are disclosed in note 13.

Included within receivables are amounts due of £328k against which a provision of £263k has been made. These amounts are due from one entity which has a history of taking extended credit terms, management has considered this when deciding upon the appropriate level of provision. In the event that the debt is not repaid a further provision of £65k will be required, in the event that it is paid the provision of £263k will be released.

Notes to the Financial Statements
For the year ended 31 March 2021

3 Segment Reporting

a) Revenue and Net Fee Income, by Geographical Region

Information provided to the Board is focused on regions and as a result, reportable segments are on a regional basis.

	Revenue		Net fee income	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
UK	**11,668**	15,677	**4,894**	7,262
Asia	**5,105**	8,176	**5,009**	8,120
Rest of World	**1,029**	139	**1,029**	139
	17,802	23,992	**10,932**	15,521

All revenues disclosed by the Group are derived from external clients and are for the provision of recruitment services. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit before taxation shown below represents the profit earned by each segment after allocations of central administration costs.

b) Revenue and Net Fee Income, by Classification

	Revenue		Net fee income	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Permanent				
- UK	**4,257**	6,344	**4,257**	6,344
- Asia	**4,995**	8,110	**4,995**	8,110
- Rest of World	**1,029**	139	**1,029**	139
Contract				
- UK	**7,411**	9,333	**637**	918
- Asia	**110**	66	**14**	10
Total	**17,802**	23,992	**10,932**	15,521

Notes to the Financial Statements
For the year ended 31 March 2021

3 Segment Reporting (continued)

c) Profit before Taxation by Geographical Region

	2021 £'000	2020 £'000
UK - operations	**(33)**	299
UK – impairment of investment asset	**-**	(4,018)
Asia	**47**	1,672
Rest of World	**(131)**	(10)
Operating loss	**(117)**	(2,057)
Net finance income	**(56)**	(76)
Loss before taxation	**(173)**	(2,133)

Operating profit is the measure of profitability regularly reviewed by the Board, which collectively acts as the Chief Operating Decision Maker. Consequently, no segmental analysis of interest or tax expenses is provided.

Segment operating profit is the profit earned by each operating unit and includes inter-segment revenues totalling £1.29m (2020: £0.80m) for the UK, and charges of £1.11m (2020: £0.80m) for Asia and £0.18m for the rest of the world (2020: £nil).

Intersegmental revenue and charges relate to transfer of services from one subsidiary of the Group to another. They are based on arm's length calculations and in proportion to segmental headcount as percentage of the total Group headcount.

d) Segment Assets and Liabilities by Geographical Region

	Total assets		Total liabilities	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
UK	**9,288**	9,418	**3,768**	386
Asia	**5,363**	4,867	**1,910**	4,522
Rest of World	**223**	77	**365**	9
Total	**14,874**	14,362	**6,043**	4,917

The analysis above is of the carrying amount of reportable segment assets and liabilities. Segment assets and liabilities include items directly attributable to a segment and include income tax assets and liabilities.

Notes to the Financial Statements
For the year ended 31 March 2021

4 Loss on ordinary activities before taxation

	2021 £'000	2020 £'000
Operating loss for the year is arrived at after charging:		
Depreciation - owned assets and leased assets	**701**	737
Loss/(profit) on disposal of fixed assets	**-**	374
Exchange rate loss	**49**	29

	2021 £'000	2020 £'000
The analysis of auditor's remuneration is as follows:		
Audit of Company	**31**	31
Audit of subsidiaries	**53**	53
Total audit fees	**84**	84

5 Directors' emoluments

	2021 £'000	2020 £'000
Emoluments for qualifying services	**521**	538
Loss of office	**80**	-
	601	538
Highest paid Director:		
Emoluments for qualifying services	**208**	210

Details of Directors' emoluments and interests, which form part of these financial statements, are provided in the Director's Remuneration report on pages 20 to 22.

Notes to the Financial Statements
For the year ended 31 March 2021

6 Employees

Group	2021 Number	2020 Number
The average monthly number of employees of the Group during the year, including Directors, was as follows:		
Consultants	**87**	107
Management and administration	**30**	30
Temporary staff	**23**	30
	140	167

Company	2021 Number	2020 Number
The average monthly number of employees of the Company during the year, including Directors, was as follows:		
Management	**6**	6

Staff costs for all employees, including Directors, but excluding contract staff placed with clients are as follows and have been included in Administration expenses in the Consolidated statement of comprehensive income:

Group	2021 £'000	2020 £'000
Wages and salaries	**6,973**	8,795
Social security costs	**608**	741
Pension contributions	**43**	65
Share option charge	**76**	49
	7,700	9,650

Remuneration of key management	2021 £'000	2020 £'000
Short-term employee benefits	**1,283**	1,568
Social security costs	**119**	151
Share-based payments	**76**	38
Pension contributions	**9**	11
	1,487	1,768

Key management includes executive Directors and senior divisional managers.

Notes to the Financial Statements
For the year ended 31 March 2021

7 Taxation on Profits on Ordinary Activities

	2021 £'000	2020 £'000
a) Analysis of tax charge in the year		
Current tax		
UK Corporation tax	50	118
Over provision in prior year	(41)	-
Foreign tax	(14)	97
Foreign tax over-provision in prior years	-	(40)
Total current tax	(5)	175
Deferred tax		
Deferred tax on fair value share option charge	-	-
Total (credit)/charge on (loss)/profit for the year	(5)	175

UK corporation tax is calculated at 19% (2020: 19%) of the estimated assessable profits for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

b) The charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2021 £'000	2020 £'000
(Loss) / profit before taxation	**(173)**	(2,133)
Tax at UK corporation tax rate of 19% (2020: 19%) on profit on ordinary activities	**(33)**	(405)
Effects of:		
Expenses not deductible for tax purposes	**4**	18
Decelerated / (accelerated) capital allowances	**19**	(22)
Depreciation on non-qualifying assets	**-**	116
Increase in general debt provision	**-**	26
Difference on Right of use asset	**22**	-
Tax rate differences	**-**	(250)
Exchange rate differences	**-**	(23)
Tax losses carried forward	**24**	-
Temporary differences recognised	**-**	(3)
Permanent timing differences	**-**	727
Share option charge/exercised	**14**	(9)
Total current tax	**50**	175
Over provision in prior year	**(55)**	-
Tax (credit)/charge for the year	**(5)**	175

Notes to the Financial Statements
For the year ended 31 March 2021

8 Dividends

	2021 £'000	2020 £'000
Final dividend for 2020: 0.00p per share (2019: 3.40p per share)	-	411
Interim dividend for 2021: 0.00p per share (2020: 1.80p per share)	-	220
Command Recruitment Group (HK) Limited dividend to non-controlling shareholders	-	317
	-	948

The Board did not and will not recommend any final dividend for the year to 31 March 2021.

Notes to the Financial Statements
For the year ended 31 March 2021

9 (Loss)/earnings per share

Earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

Fully diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares by existing share options assuming dilution through conversion of all potentially dilutive existing options.

Earnings and weighted average number of shares from continuing operations used in the calculations are shown below.

	2021 £'000	**2020 £'000**
Loss for the year and earnings used in basic and diluted earnings per share	**(36)**	(2,384)
	Number	**Number**
Weighted average number of shares used for basic (loss) per share	**12,266,005**	12,307,273
Dilutive effect of share options	**-**	-
Diluted weighted average number of shares used for diluted (loss) per share	**12,266,005**	12,307,273
	Pence	**Pence**
Basic (loss) per share	**(0.30) p**	(19.36) p
Diluted (loss) per share	**(0.30) p**	(19.36) p

The following table shows earnings per share as they would be without the effect of goodwill impairment.

	£'000	**£'000**
(Loss)/profit for the year and earnings used in basic and diluted (loss)/earnings per share prior to goodwill impairment	**(36)**	1,635
	Number	**Number**
Weighted average number of shares used for basic (loss)/earnings per share	**12,226,005**	12,307,273
Dilutive effect of share options	**-**	-
Diluted weighted average number of shares used for diluted (loss)/earnings per share	**12,226,005**	12,307,273
	Pence	**Pence**
Basic (loss)/earnings per share prior to goodwill impairment	**(0.30) p**	13.28p
Diluted (loss)/earnings per share prior to goodwill impairment	**(0.30) p**	13.28p

Notes to the Financial Statements
For the year ended 31 March 2021

10 Property, Plant and Equipment

Group	Fixtures, fittings, and equipment £'000	Right-of-use assets - Land and buildings £'000	Total £'000
Cost			
At 1 April 2019	1,980	2,932	4,912
Additions	122	212	334
Disposals	(28)	-	(28)
Exchange difference	37	62	99
At 1 April 2020	2,111	3,206	5,317
Additions	75	107	182
Disposals	-	(93)	(93)
Exchange difference	(64)	(104)	(168)
At 31 March 2021	**2,122**	**3,116**	**5,238**
Depreciation			
At 1 April 2019	1,228	1,469	2,697
Provision for the year	283	440	723
Disposals	(28)	-	(28)
Exchange difference	22	13	35
At 1 April 2020	1,505	1,922	3,427
Provision for the year	258	443	701
Disposals	-	(93)	(93)
Exchange difference	(34)	(47)	(81)
At 31 March 2021	**1,729**	**2,225**	**3,954**
Net book value			
At 31 March 2021	**393**	**891**	**1,284**
At 31 March 2020	**606**	**1,284**	**1,890**
At 31 March 2019	752	-	752

Notes to the Financial Statements
For the year ended 31 March 2021

11 Goodwill

	£'000
Cost	
At 1 April 2020	**6,509**
Goodwill impairment	**-**
At 31 March 2021	**6,509**

The total carrying value of goodwill is £6.51m, which relates to the acquisition of the Macdonald & Company Group in January 2006 and Command Recruitment Group (H.K.) Limited in October 2017. Goodwill is reviewed and tested for impairment on an annual basis. Goodwill has been tested for impairment by comparing the carrying amount of the group of cash generating units (CGUs) the goodwill has been allocated to, with the recoverable amount of those CGUs. The recoverable amounts of the CGUs are their value in use.

The assessment for Macdonald & Company Group is based on UK projected operating profit. Whilst the assessment model has remained consistent in prior years, the impact of Covid- 19 has influenced the forecasting methodology that has been applied. The recoverable amount is determined on a value-in-use basis utilising the value of cash flow projections over four years with a terminal value based on a growth rate in perpetuity. This has changed from prior years' model, where an earnings multiple of six times year 5 earnings of the UK CGU was used with a forecast period of 5 years.

Goodwill recognised on the business combination in 2018 with Command recruitment Group (HK) limited was £758k. The assessment of Command CGU is based on projected results in Hong Kong. The approach is the same as that used above for Macdonald & Company Group. The recoverable amount is determined on a value-in-use basis utilising the value of cash flow projections over four years with a terminal value based on a growth rate in perpetuity. This has changed from prior years' model, where an earnings multiple of eight times year 5 earnings of the Command CGU was used with a forecast period of 5 years.

As the business has been impacted by Covid-19, the forecast results for the first year are significantly reduced from previous years in both the UK and Command CGUs. Between 2020-21 and 2021-22, management has applied a 13% NFI growth rate for the UK CGU and 49% for Command which reflects a return to more normal levels of activity as the impact of the pandemic recedes. Thereafter, in subsequent years, management expect the initial growth rate to stabilise and have projected NFI growth to return to its long term trend of 5% per annum through to 2025.

In the same respect, as NFI increases, management expects operating profit to return to pre-pandemic levels. Historic conversion rates of NFI to operating profit have been in the range of 11-16% and forecast operating profit for 2021-22 is 11% of NFI for the UK and 5% for the Command CGUs respectively. The conversion rate is projected to increase to 15% for the UK CGU over the period as senior management work with local management to realise ongoing efficiencies whereas it will remain the same for the Command CGU.

The value-in-use for the terminal value in the model has been determined based on a growth rate of 2.00% in perpetuity. This is deemed reasonable and represents the average rate of growth in the markets in which the Group operates. A pre-tax discount rate of 11.67% (2020: 6.49%) has been applied, representing the weighted average cost of capital for the Group. The rate has increased as it is more closely aligned to other listed recruitment companies.

Notes to the Financial Statements
For the year ended 31 March 2021

11 Goodwill (Continued)

The profit growth rate used for the UK & Command CGUs in the first year are -1941% and -137% respectively, which reflects a return to more normal levels of activity as the impact of the pandemic recedes. The first year growth rates are, therefore, augmented as we started with a loss of £0.03m and £0.33m in 2021 in UK and Command respectively. Thereafter, in subsequent years, management expect the initial growth rate to stabilise with projected profit growth rates.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the industry the Group operates in and have been based on historical data from internal sources.

Assumptions	**Macdonald & Company Group**	**Command recruitment Group (HK)**
Terminal growth rate	2%	2%
Profit growth rate (Year 1 - 4)	-1941%, 34%, 11%, 6%	-137%, 5%, 5%, 5%
Growth rate (NFI) (Year 1 - 4)	13%, 5%, 5%, 5%	49%, 5%, 5%, 5%
Discount rate	11.67%	11.67%

As a result of the impairment reviews carried out at 31 March 2021, no impairment charge (2020: £4m) has been recognised for the UK CGU, since the 'recoverable amount' (being the greater of the net realisable value and the value in use) exceeds the carrying amount. A number of sensitivity scenarios have been considered. If the discount rate increased to 12.67% and the projected profit decreased by 15% then this would still leave headroom of £0.5m. Management are confident the assessment is reasonable as the NFI generated in the first three months post 31 March 2021 by the UK CGI is in line with the forecast applied.

The impairment reviews carried out at 31 March 21 for the Command CGU indicated a small impairment of £0.02m which is not deemed material to recognise. Several sensitivity scenarios have been considered. If the discount rate increased to 12.67% and the projected profit decreased by 1% then this would indicate an impairment of £0.1m. However, management is confident that performance will return to historic levels over the forecast period.

12 Investments

Company shares in subsidiary undertakings	**2021** **£'000**	**2020** **£'000**
Cost		
At 1 April 2020	**7,137**	11,213
Impairment of investment asset	**-**	(3,926)
Increase / (decrease) in shares from subsidiary from share option reserve	**52**	(150)
At 31 March 21	**7,189**	7,137

The investment value is linked to the Goodwill. The model and assumptions applied to assessing the Goodwill impairment have been applied to the carrying value of the investment and based on that no impairment has been recognised in the period.

Notes to the Financial Statements
For the year ended 31 March 2021

12 Investments (Continued)

Non-Controlling Interest

The following table summarises the information relating to Command Recruitment Group (HK) Limited, that is a subsidiary with material non-controlling interest ("NCI"), before any intra-group eliminations.

	2021	2020
	£'000	£'000
NCI percentage	**40%**	40%
Non-current assets	**175**	288
Current assets	**1,749**	1,892
Current liabilities	**(753)**	(440)
Non-current liabilities	**(64)**	(145)
Net assets	**1,107**	1,596
Net assets attributable to NCI	**443**	638
Revenue	**1,700**	3,596
Operating profit	**(322)**	1,412
Profit after interest and tax	**(330)**	1,407
Other comprehensive (loss)/ income	**(158)**	(35)
Total comprehensive income	**(448)**	1,372
Profit after interest and tax allocated to NCI	**(132)**	563
Other comprehensive (loss)/ income allocated to NCI	**(63)**	(14)
Cash flows from operating activities	**(300)**	4,831
Cash flows from financing activities	**-**	(318)
Net (decrease)/increase in cash and cash equivalents	**(300)**	4,513

Notes to the Financial Statements
For the year ended 31 March 2021

12 Investments (Continued)

The following are subsidiary undertakings at the end of the year and have all been included in the consolidated financial statements:

	Country of incorporation	Principal activity	Registered address
Macdonald & Company Group Limited	England and Wales	Holding Company	2 Harewood Place, Hanover Square, London, W1S 1BX
Macdonald & Company Property Limited	England and Wales	Recruitment	2 Harewood Place, Hanover Square, London, W1S 1BX
Macdonald and Company Freelance Limited	England and Wales	Recruitment	2 Harewood Place, Hanover Square, London, W1S 1BX
Macdonald & Company (Overseas) Limited	England and Wales	Dormant	2 Harewood Place, Hanover Square, London, W1S 1BX
Macdonald & Company Ltd	Hong Kong	Recruitment	29th Floor 3 Lockhart Road Wan Chai, Hong Kong
Ru Yi Consulting Limited	Hong Kong	Dormant	29th Floor 3 Lockhart Road Wan Chai, Hong Kong
Macdonald & Company (Shenzhen) Limited	P.R. China	Recruitment	1503M, 15/F, Tower 2, Kerry Plaza, No.1 Zhong Xin Si Road, Futian District, Shenzhen 518048, P.R. China
Macdonald and Company Pte Limited	Singapore	Recruitment	63 Market Street #05-02, Bank of Singapore Centre, Singapore 048942
Macdonald & Company Pty Ltd	Australia	Dormant	Storey Blackwood & Co, Level 4, 222 Clarence Street, Sydney NSW 2000 Australia
Macdonald & Company Recruitment Proprietary Ltd	South Africa	Dormant	1 Emfuleni, 79 Crassula Crescent, Woodmead, Johannesburg, 2052 South Africa
The Prime Organisation Ltd	England and Wales	Dormant	2 Harewood Place, Hanover Square, London, W1S 1BX
Command Recruitment Group (H.K.) Limited	Hong Kong	Recruitment	29th Floor 3 Lockhart Road Wan Chai, Hong Kong
Prime People Inc.	U.S.A.	Recruitment	1209 Orange Street, Wilmington, New Castle County, Delaware 19801
Macdonald Consulting GmbH	Germany	Dormant	District Court, Frankfurt am Main, HRB 121950

For all undertakings listed above, the country of operation is the same as its country of incorporation.

The Group holds 100% of all classes of issued share capital except in the case of Command Recruitment Group (H.K.) Limited, where it owns 60%, The percentage of the issued share capital held is equivalent to the percentage of voting rights for all companies.

Notes to the Financial Statements

For the year ended 31 March 2021

13 Trade and other receivables

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Current				
Trade receivables	**2,582**	3,312	**-**	-
Allowance for doubtful debts	**(380)**	(340)	**-**	-
Other receivables	**453**	284	**159**	133
Amounts owed by subsidiary company	**-**	-	**3,868**	3,000
Prepayments and accrued income	**406**	612	**27**	12
	3,061	3,868	**4,054**	3,145

At 31 March 2021 the average credit period taken on sales of recruitment services was 48 days (2020: 75 days) from the date of invoicing. An allowance of £380,000 (2020: £340,000) has been made for estimated irrecoverable amounts. Due to the short-term nature of trade and other receivables, the Directors consider that the carrying value approximates to their fair value.

A provision for impairment of trade receivables has been made. In reviewing the appropriateness of the provision, consideration has been given to the ageing of the debt and the potential likelihood of default, taking into account current economic conditions.

The ageing of group trade receivables at the reporting date was:

	Gross trade receivables	Provisions	Expected Loss rate	Gross trade receivables	Provisions	Expected Loss rate
	2021	**2021**	**2021**	**2020**	**2020**	**2020**
	£'000	**£'000**	**%**	**£'000**	**£'000**	**%**
Not past due 0 -30 days	**1,475**	**71**	**4.8%**	1,548	50	3.2%
Past due 30-90 days	**631**	**18**	**2.9%**	792	80	10.1%
Past due more than 90 days	**476**	**291**	**61.1%**	972	210	21.6%
	2,582	**380**		3,312	340	

The expected loss rates for trade receivables are based on the payment profile and the shared credit risk characteristics arising in the different industries in which the Group operates. The Company has incorporated forward-looking information based on the clients' industries and financial position, including the assessment of any perceived impact of Covid-19.

Notes to the Financial Statements
For the year ended 31 March 2021

13 Trade and other Receivables (continued)

Movement in allowance for doubtful debts:

	2021 £'000	2020 £'000
1 April 2020	**340**	621
Impairment losses recognised	**164**	340
Amounts written off as uncollectable	**(63)**	(38)
Amounts paid by the client	**(22)**	(452)
Impairment losses reversed	**(39)**	(131)
31 March 2021	**380**	340

14 Financial Instruments

		Group		Company	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial assets at amortised cost					
Trade and other receivables	13	**2,655**	3,256	**159**	133
Amounts owed by subsidiary company	13	**-**	-	**3,868**	3,000
Cash and cash equivalents		**3,980**	2,055	**556**	876
		6,646	5,311	**4,583**	4,009

Cash is held either on current account or on short-term deposits at floating rates of interest determined by the relevant bank's prevailing base rate.

		Group		Company	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial liabilities at amortised cost					
Trade and other payables	15	**742**	1,619	**2,247**	3,873
Accruals	15	**1,335**	901	**65**	35
Coronavirus Business Interruption Loan		**2,000**	-	**2,000**	-
		4,077	2,520	**4,312**	3,908

There is no material difference between the book values of the Group's financial assets and liabilities and their fair values.

The Group and the Company do not hold any derivative financial instruments.

Notes to the financial statements
For the year ended 31 March 2021

15 Trade and other Payables

	Group		Company	
	2021 £'000	**2020 £'000**	**2021 £'000**	**2020 £'000**
Current				
Trade payables	**203**	371	**30**	1
Other payables	**539**	1,248	**-**	-
Amount owed to subsidiary undertakings	**-**	-	**2,217**	3,872
Taxation and social security	**796**	685	**1**	4
Coronavirus Business Interruption Loan	**267**	-	**267**	-
Accruals	**1,335**	901	**65**	35
	3,140	3,205	**2,580**	3,912

Due to the short-term nature of the trade and other payables, the Directors consider that the carrying value approximates to their fair value. Trade payables are generally on 30–60-day terms. No payables are past their due date.

16 Borrowings due after more than one year

	Group		Company	
	2021 £'000	**2020 £'000**	**2021 £'000**	**2020 £'000**
Borrowings due after more than one year				
Coronavirus Business Interruption Loan	**1,733**	-	**1,733**	-
	1,733	-	**1,733**	-

The loan is repaid in 60 equal instalments from August 2021 to July 2026.

Notes to the Financial Statements
For the year ended 31 March 2021

17 Deferred Tax

Group (Liability)	**Other temporary differences £'000**	**Total £'000**
At 1 April 2019	22	22
Credit to income	-	-
At 31 March 2020	22	22
Debit to income	-	-
At 31 March 2021	**22**	**22**

Group (Asset)	**Share Options £'000**	**Total £'000**
At 1 April 2019	40	45
Debit to income	-	(5)
At 31 March 2020	40	40
Debit to income	-	-
At 31 March 2021	**40**	**40**

18 Share Capital

	2021		**2020**	
	Number	**£'000**	**Number**	**£'000**
ALLOTTED CALLED UP				
Ordinary shares of 10p each				
As at 1 April	**12,307,273**	**1,231**	12,290,199	1,229
Shares (purchased for treasury)/issued during the year	**(190,000)**	**(103)**	17,074	2
At 31 March	**12,117,273**	**1,128**	12,307,273	1,231

Share capital includes unpaid shares of nil (2020: nil).

Notes to the Financial Statements
For the year ended 31 March 2021

18 Share Capital (continued)

The Company has one class of ordinary shares which carries no right to fixed income and which represents 100% of the total issued nominal value of all share capital.

Each share carries the right to one vote at general meetings of the Company. No person has any special rights of control over the company's share capital and all its issued shares are fully paid.

Pursuant to shareholder resolutions at the AGM of the Company on 22 September 2020, the Company has the following authorities during the period up to the next AGM:

- to issue new/additional ordinary shares to existing shareholders through a rights issue up to a maximum nominal amount of £410,242 representing one- third of the Company's issued share capital;

- to issue new/additional ordinary shares to new shareholders up to a maximum nominal amount of £410,242 representing one third of the issued shares capital of the Company;

- to allot equity securities for cash, without the application of pre-emption rights, up to a maximum nominal amount of £184,609 representing 15% of the Company's issued share capital of the Company;

- to purchase through the market up to 15% of the Company's issued share capital, subject to certain restrictions on price; and

- to make off-market purchases of its ordinary shares for the purposes of or pursuant to an employee 'share scheme with the maximum aggregate number of ordinary shares authorised to be purchased is 4,102,424 representing approximately one-third of the Company's issued ordinary share capital.

Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising returns to shareholders through the optimisation of debt and equity balances. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital reserves and earnings.

The Group manages the capital structure and adjusts it in the light of changes to economic conditions and risks. In order to manage capital, the Group has continued to consider and adjust the level of dividends paid to shareholders and made purchases of its own shares which are held as Treasury Shares.

Employee Share Schemes

The Company operates two share options schemes with one of them, the Save as You Earn scheme, being dormant.

Notes to the Financial Statements
For the year ended 31 March 2021

18 Share Capital (continued)

Enterprise Management Incentive Share Option Scheme

At 31 March 2021 the following options had been granted and remained outstanding in respect of the Company's ordinary shares:

Year of grant	Exercise Price Pence	Exercise Period	Number of options 31 March 2020	Granted	Exercised	Cancelled	**Number of Options 31 March 2021**
2011/12	68.00	2014-2019	3,000	-	-	-	**3,000**
2013/14	10.00	2016-2021	9,000	-	-	-	**9,000**
	10.00	2019-2021	6,000	-	-	-	**6,000**
2014/15	10.00	2016-2021	10,000	-	-	-	**10,000**
	10.00	2019-2021	25,000	-	-	-	**25,000**
2015/16	10.00	2020-2022	30,000	-	-	-	**30,000**
	58.00	2017-2022	15,000	-	-	-	**15,000**
	58.00	2020-2022	50,000	-	-	(10,000)	**40,000**
2016/17	50.00	2022-2027	10,000	-	-	-	**10,000**
	90.00	2019-2024	15,000	-	-	-	**15,000**
	90.00	2022-2027	20,000	-	-	-	**20,000**
2018/19	10.00	2020-2028	80,000	-	-	(30,000)	**50,000**
2019/20	50.00	2022-2029	15,000	-	-	-	**15,000**
	50.00	2024-2029	50,000	-	-	-	**50,000**
	42.50	2022-2029	30,000	-	-	-	**30,000**
2020/21	50.00	2022-2029	-	20,000	-	-	**20,000**
	10.00	2023-2033	-	725,000	-	-	**725,000**
Total 2021			**368,000**	**745,000**	**-**	**(40,000)**	**1,073,000**
Weighted average exercise price 2021			**35.73p**	**11.07p**	**-**	**22.00p**	**19.68p**
Total 2020			604,750	95,000	(231,750)	(100,000)	368,000
Weighted average exercise price 2020			26.96p	47.63p	17.25p	36.80p	35.73p

Notes to the Financial Statements
For the year ended 31 March 2021

18 Share Capital (continued)

There were 1,073,000 options outstanding at 31 March 2021 (2020: 368,000) which had a weighted average price per share of 19.68p (2020: 35.73p) and a weighted average contractual life of 2.4 years. The options vest over a period of two to four years conditional upon the option holders continued employment with the Company.

The conditions applying to those options which are fully vested have been achieved. The number of outstanding options that will vest is dependent on the achievement of several key performance measures of the group, measured at a regional and consolidated level for the financial years 2020 and 2021. The fair value of the employee services received in exchange for the grant of the share options is charged to the profit and loss account over the vesting period of the share option, based on the number of options which are expected to become exercisable.

	2021	2020
Option pricing model used	**Black-Scholes**	Black-Scholes
Weighted average share price at grant date (in pence)	**57.50 & 61.00**	91.00 & 81.50
Exercise price (in pence)	**50.00 & 10.00**	50.00 & 42.50
Fair value of options granted during the year	**25.53 & 51.29**	46.44
Expected volatility (%)	**67 & 40**	20
Risk-free interest rate (%)	**1**	4
Vesting period of options (years)	**2 & 2.7**	2 & 5

Expected volatility was determined by reference to historical volatility of the Company's share price.

The share-based payment expense recognised within the income statement during the period was £75,974 (2020: expense £48,836).

Notes to the Financial Statements
For the year ended 31 March 2021

19 Reserves

Capital Redemption Reserve Fund

The capital redemption reserve relates to the cancellation of the Company's own shares.

Treasury Shares

At 31 March 2021, the total number of ordinary shares of 10p held in Treasury and their values were as follows:

	2021 Number	2021 £'000	2020 Number	2020 £'000
As at 1 April	-	-	195,676	161
Shares purchased for treasury	**190,000**	**103**	36,074	23
Shares issued from treasury	-	-	(231,750)	(34)
Loss on treasury shares disposal	-	-	-	(150)
As at 31 March	**190,000**	**103**	-	-
Nominal value		-		-
Market value		-		-

The maximum number of shares held in treasury during the year was 190,000 shares representing 1.6% of the called-up ordinary share capital of the Company (2020: 195,676 representing 1.6% of the called-up ordinary share capital of the Company).

Merger Reserve

The merger reserve represents the fair value of the consideration given in excess of the nominal value of ordinary shares issued to acquire subsidiaries.

Share Option Reserve

The reserve represents the cumulative amounts charged to profit in respect of employee share option arrangements where the scheme has not yet been settled by means of an award of shares to an individual.

Share Premium Account

The balance on the share premium account represents the amounts received in excess of the nominal value of the ordinary shares.

Translation Reserve

The foreign currency translation reserve comprises all presentation foreign exchange differences arising from translation of the financial statements of foreign operations into the presentation currency of the Group accounts.

Retained Earnings

The balance held on this reserve is the accumulated retained profits of the Group/Company.

Notes to the Financial Statements
For the year ended 31 March 2021

20 Leases

The Group adopted IFRS 16 Leases for the first time in the prior-year financial statements.

The Group's leases are property leases. These include leases for the offices from which the businesses across the Group operate and these have terms of typically 1 to 10 years. The movements in the carrying value of right-of-use assets is provided below.

Right-of-use asset - Property	**2021 £'000**	**2020 £'000**
Cost		
At 1 April 2020	3,206	2,994
Exchange differences	(104)	-
Additions	107	212
Disposals	(93)	-
At 31 March 2021	**3,116**	3,206
Accumulated depreciation		
At 1 April 2020	1,922	1,482
Exchange differences	(47)	-
Depreciation	443	440
Disposals	(93)	-
At 31 March 2021	**2,225**	1,922
Net Book Value as at 31 March 2021	**891**	1,284

Additional disclosures as required under IFRS 16 Leases are provided in the table below:

	2021 £'000	**2020 £'000**
Depreciation of right-of-use assets	443	440
Interest on lease obligations	48	71
Cash outflow for leases	562	566
Additions to right-of-use-assets	107	212
Disposals of right-of-use assets	(93)	-

Notes to the Financial Statements
For the year ended 31 March 2021

21 Reconciliation of Profit before Tax to Net Cash Inflow from Operating Activities

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Loss before taxation	**(173)**	(2,133)	**(5)**	(3,965)
Adjust for:				
Depreciation of property, plant and equipment and software amortisation	**258**	737	-	-
Depreciation of right-of-use assets	**443**	-	-	-
Impairment of goodwill	**-**	4,018	-	3,926
Share-based payment expense	**76**	49	-	-
Loss on sale of tangible asset	**-**	1	-	-
Interest receivable	**(5)**	-	-	-
Interest payable	**61**	76	-	-
Operating cash flow before changes in working capital	**660**	2,748	**(5)**	(39)
Decrease/(increase) in receivables	**866**	778	**(41)**	(3,021)
(Decrease)/increase in payables	**(332)**	116	**56**	2,784
Cash generated from / (used by) underlying operations	**1,194**	3,642	**10**	(276)

22 Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	**At 1 April 2020**	**New loan**	**Net Repayments**	**At 31 March 2021**
	£'000	**£'000**	**£'000**	**£'000**
Borrowings	-	2,000	-	**2,000**
Invoice finance	806	-	(822)	**(16)**
Lease liabilities	1,524	-	(471)	**1,053**
Total financing liabilities	2,330	2,000	(1,293)	**3,037**

Notes to the Financial Statements
For the year ended 31 March 2021

22 Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Company	At 1 April 2020	New loan	Net Repayments	At 31 March 2021
	£'000	£'000	£'000	£'000
Borrowings	-	2,000	-	**2,000**
Total financing liabilities	-	2,000	-	**2,000**

23 Analysis of Cash less overdrafts

Group	At 1 April 2020	Cash flow	Exchange	At 31 March 2021
	£'000	£'000	£'000	£'000
Cash at bank and in hand	2,055	2,212	(287)	**3,980**
Total cash	2,055	2,212	(287)	**3,980**

Company	At 1 April 2020	Cash flow	At 31 March 2021
	£'000	£'000	£'000
Cash at bank and in hand	876	(320)	**556**
Total cash	876	(320)	**556**

24 Financial Risk Management

The Board of Directors has overall responsibility for the risk management policies that are applied by the business to identify and control the risks faced by the Group. The Group has exposure from its use of financial instruments to foreign currency risk, credit risk and liquidity risk.

Foreign Currency

The Group publishes its consolidated financial statements in Sterling. The functional currencies of the Group's main operating subsidiaries are Sterling, the Singapore Dollar, the Hong Kong Dollar and the UAE Dirham.

The Group's international operations account for approximately 34.46% (2020: 34.66% of revenue and approximately 29.12% (2020: 24.27%) of the Group's assets and consequently the Group has a degree of translation exposure in accounting for overseas operations.

Notes to the Financial Statements
For the year ended 31 March 2021

24 Financial Risk Management (continued)

Foreign Currency (continued)

The Group exposure to foreign currency risk is as follows:

As at 31 March 2021	**Euro £'000**	**AUD £'000**	**USD £'000**	**HK$ £'000**	**S$ £'000**	**AED £'000**	**CNY £'000**	**SAR £'000**
Cash at bank	410	26	634	313	877	6	378	104
Trade and other receivables	46	-	28	952	293	28	-	-
Trade and other payables	(165)	-	(146)	(735)	(236)	(32)	-	-
Net exposure	**291**	**26**	**516**	**530**	**934**	**2**	**378**	**104**

As at 31 March 2020	**Euro £'000**	**AUD £'000**	**USD £'000**	**HK$ £'000**	**S$ £'000**	**AED £'000**	**CNY £'000**	**SAR £'000**
Cash at bank	66	7	1	259	211	410	-	-
Trade and other receivables	-	-	-	1,350	299	336	-	-
Trade and other payables	-	-	-	(1,101)	(117)	(115)	-	-
Net exposure	**66**	**7**	**1**	**508**	**393**	**631**	**-**	**-**

Sensitivity analysis – currency risk

A 10% weakening or strengthening of Sterling against the above currencies at 31 March 2021 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is applied currency by currency in isolation, i.e. ignoring the impact of currency correlation, and assumes that all other variables, interest rates, remain constant. The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain adverse market conditions occur. Actual results in the future may differ materially from those projected, due to developments in the global financial markets which may cause fluctuations in interest and exchange rates to vary from the hypothetical amounts disclosed in the table below, which therefore should not be considered a projection of likely future events and losses.

Foreign Currency

	Weakening		**Strengthening**	
	2021 equity	**2021 PBT**	**2021 equity**	**2021 PBT**
	£'000	**£'000**	**£'000**	**£'000**
Euro	**(26)**	**(26)**	**25**	**25**
US dollar	**(47)**	**(47)**	**37**	**37**
Hong Kong dollar	**(48)**	**(48)**	**5**	**5**
Singapore dollar	**(85)**	**(85)**	**50**	**50**
UAE dirham	**-**	**-**	**-**	**-**
Australian dollar	**(2)**	**(2)**	**1**	**1**
Chinese yuan renminbi	**(34)**	**(34)**	**4**	**4**
Saudi riyal	**(9)**	**(9)**	**2**	**2**

Notes to the Financial Statements
For the year ended 31 March 2021

24 Financial Risk Management (continued)

Foreign Currency (continued)

Currently the Group's policy is not to hedge against this exposure, but it does seek to minimise this exposure by converting into sterling all cash balances in foreign currency that are not required for capital monetary needs. The settlement of intercompany balances held with foreign operations is neither planned nor likely to occur in the foreseeable future. Therefore, exchange differences arising from the translation of the net investments are recognised in Other Comprehensive income.

Credit Risk

The Group's principal financial assets are bank balances, trade and other receivables. The Group's credit risk is primarily in respect of trade receivables. Credit risk refers to the risk that a client will default on its contractual obligations resulting in financial loss to the Group. The Group's largest credit risk exposure to a single client is in the UK and represents 10.05% of the Group trade receivables balance. Although there is no indication that the debt is uncollectable, the Directors are of the opinion that adequate provision is in place to cover any potential default by this client. A public investment funds in Saudi Arabia accounted for 4.13% of Group trade receivables respectively. Apart from this exposure, at the year-end no other customer represented more than 4.01% (2020: 5.73%) of the total balance of trade receivables.

In reviewing the appropriateness of the provisions in respect of recoverability of trade receivables, consideration has been given to the ageing of the debt and the potential likelihood of default, considering current economic conditions.

It is the Directors' opinion that no further provision for doubtful debts is required.

Liquidity Risk

The Group manages its liquidity risk by maintaining adequate cash and or credit facilities to meet forecast cash requirements of the Group. Management monitors its forecasted cash flow requirements at a Group level based on monthly returns made by the Group's operating units.

The Group has short-term trade and other payables and accruals as disclosed in note 15, all due within one year of the year end. In addition it has lease liabilities and a loan under the Coronavirus Business Interruption Loan Scheme as set out below.

The Group has net funds of £3.98m (2020: £2.06m), which the Board considers are more than adequate to meet future working capital requirements and to take advantage of business opportunities.

As at 31 March 2021, the Group's financial liabilities have contractual maturities as follows:

At 31 March 21	Less than 6 months £'000	6 – 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade payables and other payables	2,676	197	-	-	-
Lease liabilities	281	281	437	99	-
CBILS	81	239	466	1,298	135
Total contractual cash flows	**3,038**	**717**	**903**	**1,397**	**135**

Notes to the Financial Statements
For the year ended 31 March 2021

24 Financial Risk Management (continued)

At 31 March 20	Less than 6 months £'000	6 – 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade payables and other payables	1,619	-	-	-	-
Taxation and social security	440	245	-	-	-
Accruals	901	-	-	-	-
Lease liabilities	254	243	500	508	20
Total contractual cash flows	**3,214**	**488**	**500**	**508**	**20**

25 Related Party Transactions

The Company provides corporate guarantees on the subsidiary bank accounts. At 31 March 2021 amounts overdrawn by subsidiary bank accounts were £nil (2020: £nil).

The Group owes a director £40,330 (2020: £nil). There is no interest charged on this loan and no fixed date for repayment.

The Directors receive remuneration from the Group, which is disclosed in the Directors' Remuneration Report. As shareholders, the Directors also eligible to receive dividends from the Company. In the year these amounted to £nil (2020: £318,213).

Directors and Advisers

Directors

Robert Macdonald	(Executive Chairman)
Peter Moore	(Managing Director)
Chris Heayberd	(Non-Executive Director)
Sir John Lewis OBE	(Non-Executive Director)
Dugald Macdonald	(Commercial Director)

Secretary and Registered Office

Indigo Corporate Secretary Limited, Monometer House, Rectory Grove, Leigh-On-Sea, England, SS9 2HL.

Registered Number

01729887

Nominated Adviser & Broker

Cenkos Securities Plc, 6.7.8 Tokenhouse Yard, London, EC2R 7AS

Solicitors

Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD

Auditor

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

Principal Bankers

HSBC Bank PLC, Oxford Circus, 196 Oxford Street, Fitzrovia, London W1D 1NT

Registrars

Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD

Board of Directors

Directors' Biographies

Robert Macdonald - Executive Chairman

Robert has held senior positions within the recruitment industry since 1973 when he founded Reuter Simkin Limited, a recruitment business in both the legal and property sectors. Reuter Simkin had both Kleinwort Benson Development Capital and Charterhouse Development Capital as investors. After the sale of Reuter Simkin in 1989, he acquired shares in and was Chairman of two other recruitment companies one of which acquired the legal business of Reuter Simkin in the West of England from PSD in 1992 and traded as Macdonald & Company. In 1994, he established Macdonald & Company as a specialist property recruitment consultancy in London. Lead by Robert and Peter Moore, Macdonald & Company Group Ltd completed the reverse takeover of Prime People Plc in January 2006.

Peter Moore MRICS - Managing Director

Peter graduated from the Royal Agricultural University and then worked with Strutt & Parker from 1992 to 1995, qualifying as a Charted Surveyor in 1994. He joined Macdonald & Company in 1995 and was appointed Managing Director in 1996. Under Peter's management Macdonald & Company became the largest and most respected real estate focused recruitment provider in the market and the RICS's preferred recruitment partner. Lead by Robert Macdonald and Peter Moore, Macdonald & Company Group Ltd completed the reverse takeover of Prime People Plc in January 2006. Since then Peter has been instrumental in developing Prime People into a global specialist recruitment business spanning real estate, energy & environmental and insight & analytics.

Dugald Macdonald – Commercial Director

Mr Macdonald joined the Company in 2013 and is responsible for driving operational excellence and profitability for the Group as well as overseeing global commercial and operational functions and the appraisal of strategic investments. Based in London, Mr Macdonald was based in the Group's Hong Kong office in 2013 and 2014, where he managed operations for the Group's Asia business units. Before joining the Company, Mr Macdonald worked in the technology practice of two leading executive search firms. Mr Macdonald holds an MSc in Management from Birkbeck College and a BA in Philosophy and Spanish from Kings College, London.

Chris Heayberd BA ACA – Non-executive Directors

Chris qualified as a Chartered Accountant in 1980 and after that date held a few financial positions in a broad range of industries. Since 1989 his focus has been the business services sector. This included 4 years as Finance Director of PSD Group plc, during which time the company was admitted to trading on the London Stock Exchange. Chris joined the Board of Prime People in June 1995 and for a period of five years combined the role of Finance Director with other business interests. In May 2005 he took up a full-time role as Finance Director of Prime People retiring from this post in 2015 but remained on the Board in a non-executive capacity.

Sir John Lewis OBE LLB (Hons) - Non-executive Director

John is a solicitor (Non-practising) who previously served as a partner in Lewis Lewis & Co which became part of Eversheds (to which he was a Consultant until 2019) after a series of mergers. John is currently Chairman of Photo-Me International Plc and several private companies. He has served as Chairman of Cliveden Plc and Principal Hotels Plc and as deputy Chairman of John D Wood & Co Plc, retiring in each case when the Company was sold.

Prime People

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