Registration number: 01142361

Chrysalis Community Care Group Limited

Annual Report

for the 52 weeks ended 3 January 2020

Chrysalis Community Care Group Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 7
Statement of Directors' Responsibilities	8
Independent Auditor's Report	9 to 10
Profit and Loss Account	11
Statement of Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15 to 33

Chrysalis Community Care Group Limited

Company Information

Directors	T Briant
	J Robertson
	R J Watson
Company secretary	R J Watson
Registered office	800 The Boulevard Capability Green Luton Bedfordshire LU1 3BA
Auditors	BDO LLP 3 Hardman Street Manchester M3 3AT

Chrysalis Community Care Group Limited

Strategic Report for the 52 weeks ended 3 January 2020

The directors present their strategic report for the 52 weeks ended 3 January 2020.

Fair review of the business
The company's key financial and other performance indicators during the period were as follows:

	52 weeks 3 January 2020 £000s	53 weeks 4 January 2019 £000s	Change %
Turnover	15,841	20,237	(21.7)
Gross Profit	3,664	4,907	(25.3)
Administrative expenses	(4,633)	(4,856)	(4.6)
Operating profit	(969)	51	(1,999.6)
Gross profit percentage (%)	23.1	24.2	
Conversion rate (%) (Operating profit to Gross profit)	(26.4)	1.0	
Permanent fees as a % of Group profit	6.6	7.8	

The company reported revenues of £15.8m which was a decrease of 21.7% on the previous year, and gross profit reflected this decrease with a 25.3% fall to £3.7m, driven by a reduction in contracts as the business looks for sustainable margins in new contracts.

In 2020 the company will continue to bid for profitable contracts which augment its current portfolio, building on its operational experience and expertise in the Homecare sector. The directors continue to monitor the performance of the company and are confident of the continued success of the company.

The directors recognise that Brexit and the current COVID-19 pandemic, have increased the general level of uncertainty in the economy but there continues to be a need to care for old or those with special needs, in their own homes. The directors continue to monitor the market and the market needs and will look to revise services as necessary, to meet the changing needs of the market.

Chrysalis Community Care Group Limited

Strategic Report for the 52 weeks ended 3 January 2020 (continued)

Principal risks and uncertainties

Attracting and retaining talent

Any constraints on the Company's ability to attract and retain key talent in an increasingly competitive market could result in loss or weakening of client relationships, lack of appropriate leadership and/or erosion of the Company's talent base, impacting achievement of both financial and other objectives.

Planned business transformation initiatives will create a need for new skill-sets in the Company in the medium term. Factors such as Brexit and changes to the UK immigration rules may impact on the availability of talent more generally.

The Company's high-retention business model ensures that brands and central functions are focused on talent management and development, performance review and succession planning. Leadership development programmes are in place and the Impellam Group's Virtuoso-based approach encourages talent development and progression.

Customer concentration

The loss of a key customer or a significant reduction in business volume on a key account could result in reduced revenue and/or increased pressure on gross profit.

Management discuss and review market conditions and sales and account management pipelines on an ongoing basis. Management also hold regular meetings with key customers to discuss sales pipelines, current service performance and opportunities to add new services lines or extend existing services.

Technology Systems

The Company is reliant on many different technology systems that may have limited useful life in a fast-changing business environment. The legacy nature of some systems may also hinder optimisation of end-to-end business processes. Systems may also be vulnerable to factors beyond the Company's control e.g. power failures or internet connectivity outages.

The Company has a stable systems infrastructure and an ongoing IT investment programme. Core systems are replicated across two geographically separate data centres and regular monitoring of systems performance is undertaken. An analysis of opportunities for development and standardisation of key systems was compiled during 2019 and will be further developed during 2020.

Cyber and Information security

The risk of external cyber attacks continues to increase. A successful attack could result in loss of sensitive data, business disruption and/or damage to the Company's reputation. A programme to enhance security of the Company's systems against cyber attack has been implemented.

Ongoing monitoring is in place and regular exercises are undertaken. A project to implement GDPR across the relevant parts of the Company was completed during 2018 and regular reminders are published to staff to promote awareness of cyber risk.

Regulatory environment

Regulatory changes can lead to increased costs and workload, particularly where they relate to candidates' rights, eligibility to work or corporate reporting e.g. payment practices, diversity.

Appropriate policies and codes of conduct are in place across the Company and regular training is provided to employees. External professional advice is sought where insufficient knowledge exists within the Company.

Approved by the Board on 29 October 2020 and signed on its behalf by:

....

T Briant
Director

Directors' Report for the 52 weeks ended 3 January 2020

The directors present their report and the financial statements for the 52 weeks ended 3 January 2020.

Directors' of the company
The directors, who held office during the period, were as follows:

N P Marsh (resigned 11 August 2020)

J Robertson

R J Watson

The following director was appointed after the period end:

T Briant (appointed 20 February 2020)

Principal activity
The principal activity of the company is that of a domiciliary care provider to local authorities and private clients in their own homes.

Dividends
In the prior year, payment of a final dividend of £5,800 per share (amounting to £5,800,000) in respect of the period ended 29 December 2017 was proposed by the Board on 13 June 2018 and was subject to approval by the sole shareholder on the same date. Payment was made on 13 June 2018 by means of offset against amounts due to the company from its parent company.

No interim dividend was paid, and no final dividend is recommended for the current year.

Financial instruments

Objectives and policies

The company's principal financial instruments comprise cash and access to the Group revolving credit facility. The main purpose of these financial instruments is to raise finance for the Group's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions.

Price risk, credit risk, liquidity risk and cash flow risk

The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The board reviews and agrees policies for managing each of these risks as summarised below:

Interest rate risk
The company's exposure to interest rate risk is minimal as borrowings are held at a group level. The company does not currently hedge this risk.

Liquidity risk
The Group has a central Treasury function in place with regular forecasting, reporting and review procedures.

Political donations
The company made no political donations during either the current or prior periods.

Employment of disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The company recognises that it is essential to maintain a highly skilled workforce. To this end the policy of training and development is incorporated in the company plan. It is the policy to promote from within the organisation wherever the possibility exists.

Health and safety measures are given particular attention by the directors and a written policy exists and is known throughout the company.

The company recognises the need for employees to be informed of the company's activities and performance. A corporate intranet for all employees provides a wide range of information and provides an increasingly important communication tool for policies and procedures as well as the sharing of information, document storage and specific news. Meetings are held between management and employees to allow sharing of information and consultation. Employees participate directly in the performance of the business through the Company's bonus arrangements.

Environmental matters
Although we are a service-based organisation with no manufacturing facilities and limited transportation requirements, we are still committed to following environmental best practices in the day-to-day conduct of our business. This includes the use of sustainable and/or recyclable materials when available. A regular review of the potential impacts on the various businesses is undertaken and parts of the Company have achieved accreditation to ISO 14001 in relation to their environment management systems.

Social and community issues
As part of the Company's mission to find people fulfilling work, we strongly oppose modern slavery in all its forms and will try to prevent it by any means that we can. We expect anyone who has any suspicions of modern slavery in our business or our supply chain to raise their concerns without delay. In light of the Modern Slavery Act 2015 we annually review internal and external measures to ensure we are doing what we can to prevent slavery and human trafficking in our businesses and in our supply chains. Our policy is available on the website of Impellam Group Plc, our ultimate parent company, at www.impellam.com.

We have a commitment to carrying out business fairly, honestly and openly. We also have zero tolerance towards bribery. Our Bribery Policy is in place to provide relevant guidance and information to all our people in compliance with the law relating to bribery and corruption, in particular the Bribery Act 2010 ('the Act'). We are determined to maintain our reputation as a business that will not tolerate fraudulent or corrupt dealings – whether they are attempted against us from outside, from within our own workforce, or towards our clients or suppliers.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This assessment has been carried out on the cash flows of the wider Impellam Group, which the company is a member of, as cash is managed by a centralised treasury function who ensure all parts of the Group have sufficient cash to meet their immediate needs. The company has also issued a guarantee over the Group revolving credit facility, which includes an overdraft arrangement, so the cash flows implicit in the company on a stand-alone basis are not the most appropriate when reviewing the going concern basis of the company. As part of the arrangement, the Group has issued a letter of support for a period of twelve months from the date of approval of these financial statements to the company which includes both making funds available if required and not to seek repayment of amounts due at the balance sheet date if this would be detrimental to the company.

The going concern assessment carried out has taken into account the impact of the COVID-19 pandemic on the worldwide Impellam Group. Impellam Group Plc, the ultimate parent company, has carried out various assessments over the Group's profit and cash flow plans for the 18 months after the date of approval of these financial statements. These assessments included adjusting assumptions which impact gross profit as well as administrative expenses and considering the related impact on our working capital requirements and covenant calculations. These tests resulted in the directors concluding that it is appropriate to continue adopting the going concern basis in preparing the financial statements. The Group has cyclical working capital requirements which increase during periods of higher trading levels and therefore if there is a significant short-term decline in trading, the working capital requirements and therefore net debt would initially reduce providing a natural hedge against a sharp downturn. In the projections, as business activity increases, the working capital requirements and net debt levels would rise, but would remain within both the overall credit limit and the key covenant ratio of net debt being less than two and a half times the twelve months' earnings before exceptional, one off, non-recurring or extraordinary items, interest, tax, depreciation and amortisation at the quarterly testing points. Given the lack of certainty that COVID-19 will have on the Group's customers and the markets in which it operates, which may result in a more pronounced downturn than expected, and given the uncertainty for Impellam Group Plc, if the impacts of COVID-19 on the Group are worse or more prolonged than the Directors' expectations, and further mitigating actions are not sufficient, the Group may need to seek the support of its lenders. These events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the going concern basis of preparation was no longer appropriate.

Important non adjusting events after the financial period

In line with the FRC's guidance that COVID-19 should be treated as a non-adjusting post balance sheet event given our year-end and the development of the pandemic after that date, we have performed a re-assessment (but not adjustment) of the carrying value of the reported assets and liabilities.

Right of use asset

Right of use assets largely relate to property leases which at present and in downside planned scenarios, the Company expect continuing to use and therefore would not consider these impaired. In an extreme down-turn, which we do not foresee, we may consider plans to exit some property commitments.

Trade receivables and their recoverability

The Company supply to a wide range of customers, at the date of these financial statements there had been no specific issues identified in the recoverability of amounts due from the Company's customers. There is an increased risk associated with the trading performance of our customers and their ability to meet their obligations.

Directors' liabilities

During the period and to the date of these financial statements, the company had in force an indemnity provision in favour of one or more Directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

On 19 September 2019, KPMG LLP resigned as the Company auditor. Subsequently, in accordance with Section 489 of the Companies Act 2006, BDO LLP was appointed as the Company's auditor. A resolution to reappoint BDO LLP as the Company's auditor will be proposed at the Annual General Meeting.

Approved by the Board on 29 October 2020 and signed on its behalf by:

....
T Briant
Director

Chrysalis Community Care Group Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained *in the financial statements; and*
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of Chrysalis Community Care Group Limited

Opinion

We have audited the financial statements of Chrysalis Community Care Group Limited (the 'Company') for the 52 weeks ended 3 January 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 3 January 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements which indicates the directors' assessment over going concern including the potential impact of the Covid-19 pandemic. If the impacts of Covid-19 are more significant or prolonged than the directors' expectations, and further mitigating actions are not sufficient, the company may need to seek the support of its lenders. As stated in note 2, these events or conditions, along with other matters as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial period 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.

Independent Auditor's Report to the Members of Chrysalis Community Care Group Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities , the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

BDO LLP

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Steven Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

Manchester, UK

29 October 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Chrysalis Community Care Group Limited

Profit and Loss Account for the 52 weeks ended 3 January 2020

	Note	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
Turnover	4	15,841	20,237
Cost of sales		(12,177)	(15,330)
Gross profit		3,664	4,907
Administrative expenses		(4,633)	(4,856)
Operating (loss)/profit	5	(969)	51
Interest payable and similar expenses	6	(20)	(17)
(Loss)/profit before tax		(989)	34
Tax on (loss)/profit	10	166	(4)
(Loss)/profit for the period		(823)	30

The above results were derived from continuing operations.

Chrysalis Community Care Group Limited

Statement of Comprehensive Income for the 52 weeks ended 3 January 2020

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
(Loss)/profit for the period	(823)	30
Total comprehensive income for the period	(823)	30

The notes on pages 15 to 33 form an integral part of these financial statements.

Chrysalis Community Care Group Limited

(Registration number: 01142361)
Balance Sheet as at 3 January 2020

	Note	3 January 2020 £ 000	4 January 2019 £ 000
Fixed assets			
Intangible assets	11	981	912
Tangible assets	12	126	163
Right of use assets	13	146	-
		1,253	1,075
Current assets			
Debtors	14	4,125	7,057
Cash at bank and in hand	15	119	502
Tax asset	10	20	12
		4,264	7,571
Creditors: Amounts falling due within one year	16	(5,124)	(7,553)
Net current (liabilities)/assets		(860)	18
Total assets less current liabilities		393	1,093
Creditors: Amounts falling due after more than one year	17	(39)	-
Provisions for liabilities	18	(84)	-
Net assets		270	1,093
Capital and reserves			
Called up share capital	20	1	1
Profit and loss account		269	1,092
Shareholders' funds		270	1,093

These financial statements were approved by the Board on 29 October 2020 and signed on its behalf by:

....
T Briant
Director

The notes on pages 15 to 33 form an integral part of these financial statements.

Chrysalis Community Care Group Limited

Statement of Changes in Equity for the 52 weeks ended 3 January 2020

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 30 December 2017	1	6,862	6,863
Profit for the period	-	30	30
Total comprehensive income	-	30	30
Dividends	-	(5,800)	(5,800)
At 4 January 2019	1	1,092	1,093

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 5 January 2019	1	1,092	1,093
Loss for the period	-	(823)	(823)
Total comprehensive income	-	(823)	(823)
At 3 January 2020	1	269	270

1 General information

The company is a private company limited by share capital, incorporated and domiciled in the United Kingdom.

The address of its registered office is:
800 The Boulevard
Capability Green
Luton
Bedfordshire
LU1 3BA

These financial statements were authorised for issue by the Board on 29 October 2020 and the balance sheet was signed by T Briant..

2 Accounting policies

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

Basis of preparation
These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Summary of disclosure exemptions
In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:
- Comparative period reconciliations for share capital and fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Cash flow statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Impellam Group Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2 Accounting policies (continued)

Going concern

The directors have set out their business review for the company in the Strategic Report on page 2.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This assessment has been carried out on the cash flows of the wider Impellam Group, which the company is a member of, as cash is managed by a centralised treasury function who ensure all parts of the Group have sufficient cash to meet their immediate needs. The company has also issued a guarantee over the Group revolving credit facility, which includes an overdraft arrangement, so the cash flows implicit in the company on a stand-alone basis are not the most appropriate when reviewing the going concern basis of the company. As part of the arrangement, the Group has issued a letter of support for a period of twelve months from the date of approval of these financial statements to the company which includes both making funds available if required and not to seek repayment of amounts due at the balance sheet date if this would be detrimental to the company.

The going concern assessment carried out has taken into account the impact of the COVID-19 pandemic on the worldwide Impellam Group. Impellam Group Plc, the ultimate parent company, has carried out various assessments over the Group's profit and cash flow plans for the 18 months after the date of approval of these financial statements. These assessments included adjusting assumptions which impact gross profit as well as administrative expenses and considering the related impact on our working capital requirements and covenant calculations. These tests resulted in the directors concluding that it is appropriate to continue adopting the going concern basis in preparing the financial statements. The Group has cyclical working capital requirements which increase during periods of higher trading levels and therefore if there is a significant short-term decline in trading, the working capital requirements and therefore net debt would initially reduce providing a natural hedge against a sharp downturn. In the projections, as business activity increases, the working capital requirements and net debt levels would rise, but would remain within both the overall credit limit and the key covenant ratio of net debt being less than two and a half times the twelve months' earnings before exceptional, one off, non-recurring or extraordinary items, interest, tax, depreciation and amortisation at the quarterly testing points. Given the lack of certainty that COVID-19 will have on the Group's customers and the markets in which it operates, which may result in a more pronounced downturn than expected, and given the uncertainty for Impellam Group Plc, if the impacts of COVID-19 on the Group are worse or more prolonged than the Directors' expectations, and further mitigating actions are not sufficient, the Group may need to seek the support of its lenders. These events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the going concern basis of preparation was no longer appropriate.

Changes resulting from adoption of IFRS 9 and IFRS 15

IFRS 9 Financial Instruments and *IFRS 15 Revenue from Contract with Customers* became mandatorily effective on 1 January 2018. The company has applied both for the first time in this accounting period which has resulted in changes to the accounting policies. The nature and effect of these changes are described below.

2 Accounting policies (continued)

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets; and hedge accounting/ The standard also prescribes an 'expected credit loss' model for determining the basis of providing for bad debts (for further details, please refer to the accounting policies that form these financial statements).

The adoption of IFRS 9 has resulted in changes to the accounting policies and adjustments to the amounts recognised in the financial instruments, combining the three aspects; classification and measurement; impairment; and hedge accounting.

IFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated balance sheet as at 4 January 2019, but are recognised in the opening balance sheet on 5 January 2019.

The adoption of IFRS 15 has resulted in changes in the company's accounting policies for the recognition and measurement of revenue.

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations, introducing a five step approach to revenue recognition and applies to all revenue arising from contracts with its customers. This is explained in more detail in the Revenue Recognition policy.

In accordance with the transition provisions in IFRS 15, the company has adopted the new rules on a fully retrospective basis and has restated comparatives for the 2017 financial year. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient.

No adjustment to the prior period was required as a result of the adoption of either IFRS 9 or IFRS 15.

Changes resulting from adoption of IFRS 16

IFRS 16 Leases became mandatorily effective on 1 January 2019. The company has applied this for the first time in this accounting period which resulted in changes to the accounting policies.

The company transitioned to IFRS 16 using the modified retrospective approach and as a result the cumulative effect of initial application is recognised in retained earnings at 5 January 2019. The prior period figures were not adjusted.

On adoption of IFRS 16, the company elected to apply the relief provisions available and has not reviewed contracts under the definition of a lease per IFRS 16, which had previously not been classified as leases under the principles of IAS 17. Therefore, only contracts entered into or modified on or after 5 January 2019 have the definition of a lease per IFRS 16 applied.

In addition, the company decided to apply recognition exemptions to leases with a term not exceeding 12 months and leases where the underlying assets are of low value.

2 Accounting policies (continued)

For leases classified as operating leases under IAS 17, these lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 5 January 2019. The company has used the following practical expedients permitted by IFRS 16 when applying this for the first time to leases previously classified as operating leases:
• Applied a single discount rate to a portfolio of leases with similar characteristics;
• Excluded initial direct costs for the measurement of right-to-use assets at the date of initial application; and
• Used hindsight in determining the lease term where the contract contains options to extent or terminate the lease

Right-of-use assets are measured at either:
• Their carrying amount as if IFRS 16 has been applied since commencement, discounted using the lessee's incremental borrowing rate at the date of initial application; or
• An amount equal to the lease liability, adjusted for any prepaid or accrued lease payments.

The company recognised lease liabilities in relation to leases that were classified as 'operating leases" under the principles of IAS 17 - Leases. On transition, an additional £275,000 of right-to-use assets and £261,000 of lease liabilities were recognised. The difference between the amounts recognised on adoption arises from £84,000 of end of lease payments which have been included in provisions rather than the lease liability and £70,000 of costs inherent in the lease which had been taken in prior periods and have offset the value of the asset.

	As originally reported 4 January 2019 £ 000
Operating lease commitments at 4 January 2019	-
Operating lease commitments discounted at the incremental borrowing rate	-
Adjustments resulting from the different treatment of extension and termination options	93
Adjustment for reassessment of subleases	168
Lease liabilities recognised at 5 January 2019	261

These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 5 January 2019. The weighted average rate applied was 2.37%.

Changes in accounting policy

None of the other standards, interpretations and amendments effective for the first time from 5 January 2019 have had a material effect on the financial statements.

Revenue recognition

Recognition

The company earns revenue from the provision of services relating to provision of staff. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

2 Accounting policies (continued)

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognise revenue when or as the entity satisfies its performance obligations.

Fee arrangements

Below are details of fee arrangements and how these are measured and recognised, for revenue from the provision of services:

- Revenue derived from the provision of homecare services is recognised and accrued by reference to hours worked (representing the service provided) in accordance with submitted authorised timesheets and pre-agreed charge rates (which include an element of salary and related costs) which are together used to determine the transaction price. This applies both when there is a direct supply as well as when there is supply of a Managed Service to the client, as the timing of performance obligations and the raising of invoices can vary. Timesheets are submitted mainly on a weekly basis, with a limited number being submitted either daily or monthly so any variable aspect of contract assets is limited due to the financial period finishing at the end of a week.

Contract assets and receivables

Where services are transferred to the customer before the customer pays consideration, or before payment is due, contract assets are recognised. Contract assets are included in the statement of financial position and represent the right to consideration for products delivered.

Contract receivables (loans and advances) are recognised in the statement of financial position when the company's right to consideration becomes unconditional.

Contract assets & receivables (loans and advances) are classified as current or non- current based on the company's normal operating cycle and are assessed for impairment at each reporting date.

Contract liabilities

Contract liabilities and customer deposits are recognised in the statement of financial position when the company has received consideration but still has an obligation to deliver products and meet performance obligations for that consideration.

Net basis of measurement of contract balances

Contract asset and contract liability positions are determined for each contract on a net basis. This is because the rights and obligations within each contract are considered inter-dependent. Where two contracts are with the same or related entities, an assessment is made of whether contract assets and liabilities are inter-dependent and if so, contract balances are reported net.

2 Accounting policies (continued)

Impairment of contract related balances

At each reporting date, the company determines whether or not such assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant contracts or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific KPIs that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Finance income and costs policy

Interest payable and similar charges include interest payable in profit or loss using the effective interest method. Other interest receivable and similar income include interest receivable on funds invested. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Foreign currency transactions and balances

Profit and loss transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

2 Accounting policies (continued)

Tangible assets
Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Tangible fixed assets are stated at cost or valuation, less depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its estimated useful life, as follows:

Asset class	**Depreciation method and rate**
Short leasehold properties	Over the term of the lease
Fixtures and fittings	Between 3-10 years

Intangible assets
Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised. The carrying value of goodwill is reviewed for impairment at the end of every accounting period.

Goodwill arising on acquisitions in the year ended 31 December 1997 and earlier periods was written off to reserves in accordance with the accounting standard then in force. As permitted by the current accounting standard the goodwill previously written off to reserves has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal.

Other intangible assets represent the carrying value of computer software and licences. Carrying value is equal to cost less accumulated amortisation and impairment or, in the case of assets acquired through business combinations, fair value at date of acquisition less accumulated amortisation and impairment.

Internally generated computer software programs are capitalised to the extent that costs can be separately identified and attributed to particular software programs, measured reliably, and that the asset developed can be shown to generate future economic benefits. Computer software and licences are defined as having finite useful lives and the costs are amortised on a straight-line basis over the estimated useful lives of each of the assets, considered to be between three to five years. The expense is taken to the income statement through the "depreciation and amortisation" line within administrative expenses.

All costs relating to the "research" phase of the software development cycle together with costs not separately identifiable and attributable to particular program development are expensed directly to the income statement in the period in which it is incurred.

All intangible assets are also reviewed for impairment whenever there is an indication that the carrying amount may be impaired. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2 Accounting policies (continued)

Trade receivables
Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as Fixed assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends
Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Defined contribution pension obligation
The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Financial instruments (post January 2018)

Initial recognition
Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding Tangible assets, intangible assets, deferred tax assets and prepayments.

2 Accounting policies (continued)

Classification and measurement
Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:

Financial assets are classified into one of the following three categories:
• financial assets at amortised cost;
• financial assets at fair value through other comprehensive income (FVTOCI); or
• financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:
• financial liabilities at amortised cost; or
• financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

Financial assets at amortised cost
These assets arise principally from the provision of services to customers (for example trade debtors), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade debtors are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade debtors is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade debtors. For trade debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the company elects to renegotiate the terms of trade debtors due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

2 Accounting policies (continued)

Financial assets at fair value through other comprehensive income (FVTOCI)
A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:
• the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
• the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company does not have any such assets nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Financial assets at fair value through the profit or loss (FVTPL)
The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Financial liabilities at amortised cost
The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss. The company's accounting policy for each category is as follows:
• Trade creditors and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Financial liabilities at fair value through the profit or loss
The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3 Critical accounting judgements and key sources of estimation uncertainty

Lease end dates
Under IFRS 16 'Leases' a right-of-use asset and lease liability need to be recognised in line with the expected lease term, which may not be the same as the term of the lease. This has led to a level of judgement over the leases in our portfolio on the expected lease termination date. Depending on the circumstances on the individual lease, the Company has taken either the break date (for those circumstances where the break is expected to be exercised), the actual lease end date or an estimate of the how long we will stay in a property for those leases which are held-over.

Lease interest rates
The Company has estimated the interest rates implicit in the lease when calculating the lease liability and related right-of-use asset under IFRS 16 'Leases'. Unless stipulated clearly when taking on the liability the Company uses an incremental borrowing rate calculation to determine the relevant rate. Consideration is taken over the term of the lease, the credit risk of the acquirer and any specific risks relating to the assets acquired by an individual lease.

4 Turnover

The analysis of the company's turnover for the period by market is as follows:

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
UK	15,841	20,237

5 Operating (loss)/profit

Arrived at after charging/(crediting)

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
Depreciation expense	84	34
Depreciation on right of use assets - Property	129	-
Amortisation expense	113	17
Operating lease expense - property	-	45

6 Interest payable and similar expenses

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
Other finance costs	14	17
Interest expense on leases - Property	6	-
	20	17

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
Wages and salaries	2,451	2,673
Social security costs	210	232
Pension costs, defined contribution scheme	51	37
Other employee expense	3	-
	2,715	2,942

7 Staff costs (continued)

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	52 weeks 3 January 2020 No.	53 weeks 4 January 2019 No.
Administration and support	3	4
Other departments	91	97
	94	101

8 Directors' remuneration

The emoluments of the directors are paid by the ultimate parent company, Impellam Group Plc, or a fellow Group subsidiary. The emoluments attributable to the services in relation to this company are £36,000 (4 January 2019: £45,000).

9 Auditors' remuneration

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
Audit of the financial statements	5	5

10 Income tax

Tax charged/(credited) in the profit and loss account

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
Current taxation		
UK corporation tax	(159)	3
UK corporation tax adjustment to prior periods	1	-
	(158)	3
Deferred taxation		
Arising from origination and reversal of temporary differences	(7)	1
Arising from unrecognised temporary difference of prior periods	(1)	-
Total deferred taxation	(8)	1
Tax (receipt)/expense in the profit and loss account	(166)	4

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (4 January 2019 - lower than the standard rate of corporation tax in the UK) of 19% (4 January 2019 - 19%).

The differences are reconciled below:

10 Income tax (continued)

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
(Loss)/profit before tax	(989)	34
Corporation tax at standard rate	(188)	7
Increase in current tax from adjustment for prior periods	1	-
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	-	1
Increase arising from group relief tax reconciliation	46	-
Decrease from transfer pricing adjustments	(24)	(4)
Decrease in current tax from unrecognised temporary difference from a prior period	(1)	-
Total tax (credit)/charge	(166)	4

UK legislation requires, in broad terms, that most transactions between connected parties be at an arm's length price for tax purposes (commonly known as 'transfer pricing'). As a result, this company must make an adjustment for deemed net interest on intercompany balances that has not been recognised in the financial statements.

A reduction in the UK Corporation Tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2017 and was used as the basis of calculation for the deferred tax balance at 3 January 2020, as the relevant rate enacted at the balance sheet date. On 19 March 2020 the UK Corporation Tax was held at 19% under the Finance Act 2020. This change will affect the tax charge in future periods.

Deferred tax

Deferred tax assets and liabilities

2020	**Asset £ 000**
Accelerated tax depreciation	16
Other items	4
	20

2019	**Asset £ 000**
Accelerated tax depreciation	8
Other items	4
	12

10 Income tax (continued)

Deferred tax movement during the period:

	At 5 January 2019 £ 000	Recognised in income £ 000	At 3 January 2020 £ 000
Accelerated tax depreciation	8	8	16
Other items	4	-	4
Net tax assets	12	8	20

Deferred tax movement during the prior period:

	At 30 December 2017 £ 000	Recognised in income £ 000	At 4 January 2019 £ 000
Accelerated tax depreciation	9	(1)	8
Other items	4	-	4
Net tax assets	13	(1)	12

11 Intangible assets

	Goodwill £ 000	*Software* £ 000	*Total* £ 000
Cost or valuation			
At 5 January 2019	1,181	134	1,315
Additions	-	182	182
At 3 January 2020	1,181	316	1,497
Amortisation			
At 5 January 2019	357	46	403
Amortisation charge	-	113	113
At 3 January 2020	357	159	516
Carrying amount			
At 3 January 2020	824	157	981
At 4 January 2019	824	88	912

12 Tangible assets

	Land and buildings £ 000	Fixtures and fittings £ 000	Total £ 000
Cost or valuation			
At 5 January 2019	65	201	266
Additions	-	47	47
Disposals	-	(35)	(35)
At 3 January 2020	65	213	278
Depreciation			
At 5 January 2019	21	82	103
Charge for the period	6	78	84
Eliminated on disposal	-	(35)	(35)
At 3 January 2020	27	125	152
Carrying amount			
At 3 January 2020	38	88	126
At 4 January 2019	44	119	163

13 Right of use assets

	Property £ 000	Total £ 000
Cost or valuation		
At 5 January 2019	275	275
At 3 January 2020	275	275
Depreciation		
At 5 January 2019	-	-
Charge for the period	129	129
At 3 January 2020	129	129
Carrying amount		
At 3 January 2020	146	146
At 4 January 2019	-	-

14 Trade and other receivables

	3 January 2020 £ 000	4 January 2019 £ 000
Trade receivables	3,592	3,992
Receivables from related parties	32	2,321
Prepayments	501	742
Other receivables	-	2
	4,125	7,057

Trade receivables are stated after provisions of £6,000 (4 January 2019: £Nil). Receivables from related parties are interest free, unsecured and repayable on demand.

15 Cash at bank and in hand

	3 January 2020 £ 000	4 January 2019 £ 000
Cash at bank	119	502

16 Trade and other payables

	3 January 2020 £ 000	4 January 2019 £ 000
Trade payables	51	-
Accrued expenses	325	582
Amounts due to related parties	4,180	6,570
Social security and other taxes	209	270
Outstanding defined contribution pension costs	40	31
Other payables	229	100
Current portion of long term lease liabilities (see note 17)	90	-
	5,124	7,553

Payables to related parties are interest free, unsecured and repayable on demand.

17 Leases

Leases included in creditors

During the period the Company accounted for 4 leased properties under IFRS 16 across the jurisdictions in which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation or at a fixed rate and in others to be reset periodically to market rental rates whilst in others the periodic rent is fixed over the lease term. Some leases have provisions for early termination (see lease end dates judgments in note 2). The weighted average Incremental Borrowing Rate used to calculate the lease liability was 2.37%.

None of the leases accounted for under IFRS 16 during the period recognised future uplifts in rent.

17 Leases (continued)

	3 January 2020 £ 000	4 January 2019 £ 000
Current portion of long term lease liabilities	90	-
Long term lease liabilities	39	-
	129	-

Included within lease liabilities are £58,000 due to related parties (4 January 2019: £:Nil).

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	3 January 2020 £ 000	4 January 2019 £ 000
Less than one year	91	-
2 years	31	-
3 years	24	-
Total lease liabilities (undiscounted)	146	-

Within the payments listed above is £17,000 which will be recognised as interest on the lease liability.

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

Payment	3 January 2020 £ 000	4 January 2019 £ 000
Right of use assets	133	-
Interest	6	-
Total cash outflow	139	-

18 Other provisions

	Other provisions £ 000	Total £ 000
At 5 January 2019	-	-
Additional provisions	84	84
At 3 January 2020	84	84
Non-current liabilities	84	84

Other provisions relate to property provisions for the full expected cost of dilapidations and have been discounted to a present value using the relevant lease interest rate.

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £51,000 (4 January 2019 - £37,000).

Contributions totalling £40,000 (4 January 2019 - £31,000) were payable to the scheme at the end of the period and are included in creditors.

20 Share capital

Allotted, called up and fully paid shares

	3 January 2020 No. 000	£ 000	4 January 2019 No. 000	£ 000
Ordinary shares of £1 each	1	1	1	1

21 Dividends

	3 January 2020 £ 000	4 January 2019 £ 000
Final dividend of £Nil (4 January 2019 - £5,800.0) per ordinary share	-	5,800

22 Contingent liabilities

As part of the Group's invoice discounting facility of the Group of which the company is a member; the net aggregate amount outstanding against this facility at 3 January 2020 was £166,732,000 (4 January 2019: £186,265,000).

23 Parent of group in whose consolidated financial statements the company is consolidated

The name of the parent of the group in whose consolidated financial statements the company's financial statements are consolidated is Impellam Group Plc.

These financial statements are available upon request from The Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF14 3UZ.

The Group has identified Lord Ashcroft as the ultimate controlling party as he has influence over more than 50%, but less than 75%, of both the shares and voting rights of Impellam Group Plc and together with being Chairman of Impellam group Plc has significant influence over the Group.

24 Non adjusting events after the financial period

In line with the FRC's guidance that COVID-19 should be treated as a non-adjusting post balance sheet event given our year-end and the development of the pandemic after that date, we have performed a re-assessment (but not adjustment) of the carrying value of the reported assets and liabilities.

Right of use asset
Right of use assets largely relate to property leases which at present and in downside planned scenarios, the Company expect continuing to use and therefore would not consider these impaired. In an extreme down-turn, which we do not foresee, we may consider plans to exit some property commitments.

Trade receivables and their recoverability
The Company supply to a wide range of customers, at the date of these financial statements there had been no specific issues identified in the recoverability of amounts due from the Company's customers. There is an increased risk associated with the trading performance of our customers and their ability to meet their obligations.