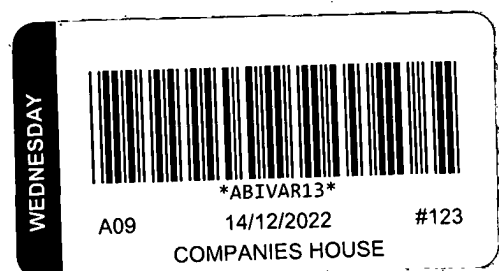


COMPANY REGISTRATION NUMBER: 01756216

Northern Recruitment Group Limited

Financial Statements

31 March 2022



Northern Recruitment Group Limited

Financial Statements

Year ended 31 March 2022

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Northern Recruitment Group Limited

Officers and Professional Advisers

The board of directors

K Boyce
D J Carss
L M Chambers
M P Stiff
R M Stiff

Registered office

NWS House
1E High Street
Purley
Surrey
UK
CR8 2AF

Auditor

Shipleys LLP
Chartered accountants & statutory auditor
5 Godalming Business Centre
Woolsack Way
Godalming
Surrey
GU7 1XW

Northern Recruitment Group Limited

Strategic Report

Year ended 31 March 2022

The directors present their strategic report for Northern Recruitment Group Limited together with the audited financial statements for the twelve-month period to 31st March 2021. The comparative period is for the 15 months ended 31 March 2020.

The Company's principal activities are that placing permanent and contract staff.

Business review and Key Performance Indicators ('KPIs')

The results of the Company show a pre-tax profit of £39,435 (2021: £12,189) and turnover of £12,288,207 (2021: £13,450,503) for the year. Turnover decreased as a result of the pandemic however the Company increased pre tax profit through a review and reduction in costs. The company monitors performance through the use of KPI's. The main KPI's that the company uses are turnover and gross profit. The company experienced a contraction in Turnover of 8% this year and gross profit growth of 324% in the year. The management teams regularly review customer, account, candidate registration and service level related KPI's. The Company's financial position at the end of the year remained strong with net current assets of £1,244,153 (2021: £3,122,241) and net assets of £1,398,044 (2020: £3,360,220).

Risks and Uncertainties

The directors of the Company continually monitor the principal risks and uncertainties surrounding the business. The markets are heavily regulated and require strong compliance to provide the level of service and care to clients and individuals. The directors consider the following risks to be the most important to the future of the business.

Liquidity Risk and Credit Risk

The Company monitors its liquidity position to ensure it has sufficient available funds for its operations. The business has an invoice discounting facility in place to manage fluctuations in cashflow with adequate funding availability to meet future business growth. Credit risk will always exist as services are provided before payment is received. We mitigate this risk by having a dedicated credit team who pass all new clients through our onboarding process. We regularly credit score new and existing clients in order to minimise the risk and the team monitor all accounts to ensure they remain in term.

Operational Risk

These relate to the general economic environment, competition from other agencies and the availability of suitable candidate's to supply to our clients. We mitigate the risk of candidate availability by building strong relationships with our candidates and continually resourcing additional candidates to meet future demand.

Northern Recruitment Group Limited

Strategic Report *(continued)*

Year ended 31 March 2022

This report was approved by the board of directors on 11/12/2022 and signed on behalf of the board by:

Keith Boyce

K Boyce
Director

Robert Stiff

R M Stiff
Director

Marc Stiff

M P Stiff
Director

Registered office:
NWS House
1E High Street
Purley
Surrey
UK
CR8 2AF

Northern Recruitment Group Limited

Directors' Report *(continued)*

Year ended 31 March 2022

The directors present their report and the financial statements of the company for the year ended 31 March 2022.

Directors

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

K Boyce	
D J Carss	
L M Chambers	
M R V Smales	(Resigned 14 October 2022)
M P Stiff	
R M Stiff	
M T Liddle	(Resigned 14 May 2021)

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Greenhouse gas emissions and energy consumption

The Company is exempt from the requirements on disclosing its annual quantity of emissions and energy consumption for which it is responsible.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, various matters previously dealt with in the Directors' Report are now included in the Strategic Report, including financial risk management objectives and policies and future developments.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Northern Recruitment Group Limited

Directors' Report *(continued)*

Year ended 31 March 2022

Auditor

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

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

Auditor appointment

Shipleys LLP were appointed as auditors during the year and have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

11/12/2022

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

Keith Boyce

K Boyce
Director

Robert Stiff

R M Stiff
Director

Marc Stiff

M P Stiff
Director

Registered office:
NWS House
1E High Street
Purley
Surrey
UK
CR8 2AF

Northern Recruitment Group Limited

Independent Auditor's Report to the Members of Northern Recruitment Group Limited

Year ended 31 March 2022

Opinion

We have audited the financial statements of Northern Recruitment Group Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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.

Northern Recruitment Group Limited

Independent Auditor's Report to the Members of Northern Recruitment Group Limited *(continued)*

Year ended 31 March 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Northern Recruitment Group Limited

Independent Auditor's Report to the Members of Northern Recruitment Group Limited *(continued)*

Year ended 31 March 2022

Responsibilities of directors

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

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

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.

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:

- We obtained an understanding of the Company's business, controls, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the Company's financial statements to material misstatement from irregularities, including fraud, are instances of non-compliance with laws and regulations.
- Based on this understanding we designed our audit procedures to detecting irregularities, including fraud. Testing undertaken included making enquiries on the management; journal entry testing; review of bank letters, board minutes and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
-

Northern Recruitment Group Limited

Independent Auditor's Report to the Members of Northern Recruitment Group Limited *(continued)*

Year ended 31 March 2022

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Tim Hardy

Tim Hardy (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered accountants & statutory auditor
5 Godalming Business Centre
Woolsack Way
Godalming
Surrey
GU7 1XW

12/12/2022

Northern Recruitment Group Limited

Statement of Comprehensive Income

Year ended 31 March 2022

	Note	2022 £	2021 £
Turnover	4	12,288,207	13,450,503
Cost of sales		(9,374,290)	(12,803,036)
Gross profit		2,913,917	647,467
Administrative expenses		(3,060,904)	(2,596,930)
Other operating income	5	185,723	1,960,884
Operating profit	6	38,736	11,421
Other interest receivable and similar income	9	699	768
Profit before taxation		39,435	12,189
Tax on profit	10	(1,611)	(32,020)
Profit/(loss) for the financial year and total comprehensive income		<u>37,824</u>	<u>(19,831)</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

Northern Recruitment Group Limited

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	1,909	29,958
Tangible assets	13	173,215	232,074
		<u>175,124</u>	<u>262,032</u>
Current assets			
Debtors	14	1,740,471	3,686,057
Cash at bank and in hand		661,813	1,460,682
		<u>2,402,284</u>	<u>5,146,739</u>
Creditors: amounts falling due within one year	15	(1,158,131)	(2,024,498)
Net current assets		<u>1,244,153</u>	<u>3,122,241</u>
Total assets less current liabilities		<u>1,419,277</u>	<u>3,384,273</u>
Provisions	16	(21,233)	(24,053)
Net assets		<u>1,398,044</u>	<u>3,360,220</u>
Capital and reserves			
Called up share capital	19	503,400	503,400
Share premium account	22	766,811	766,811
Capital redemption reserve	22	–	436,273
Profit and loss account	22	127,833	1,653,736
Shareholders funds		<u>1,398,044</u>	<u>3,360,220</u>

These financial statements were approved by the board of directors and authorised for issue on 11/12/2022, and are signed on behalf of the board by:

Keith Boyce

K Boyce
Director

Robert Stiff

R M Stiff
Director

Marc Stiff

M P Stiff
Director

Company registration number: 01756216

The notes on page 13 to 23 form part of these financial statements.

Northern Recruitment Group Limited

Statement of Changes in Equity

Year ended 31 March 2022

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2020	503,400	766,811	436,273	1,673,567	3,380,051
Loss for the year				(19,831)	(19,831)
Total comprehensive income for the year	–	–	–	(19,831)	(19,831)
At 31 March 2021	503,400	766,811	436,273	1,653,736	3,360,220
Profit for the year				37,824	37,824
Total comprehensive income for the year	–	–	–	37,824	37,824
Dividends paid and payable 11	–	–	–	(2,000,000)	(2,000,000)
Cancellation of subscribed capital	–	–	(436,273)	436,273	–
Total investments by and distributions to owners	–	–	(436,273)	(1,563,727)	(2,000,000)
At 31 March 2022	<u>503,400</u>	<u>766,811</u>	<u>–</u>	<u>127,833</u>	<u>1,398,044</u>

The notes on page 13 to 23 form part of these financial statements.

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is NWS House, 1E High Street, Purley, Surrey, CR8 2AF, UK. The principal place of business is Q10 Quorum Business Park, Benton Lane, Newcastle Upon Tyne, NE12 8BU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis and are in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

During the year the company made a profit before tax of £39,435 (2021: £12,189) and the statement of financial position shows net assets of £1,398,044 (2021: £3,360,220). The directors have considered the basis of preparation of the financial statements and have concluded that it is appropriate to prepare these on the going concern basis. This assessment is due to the Company and Groups' forecasts demonstrating sufficient funds and cash flows to be able to manage the Company and Groups' liabilities as they fall due for a period of not less than 12 months of the approval of the financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Galago Limited which can be obtained from NWS House, 1E High Street, Purley, CR8 2AF. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of financial statements under FRS 102 requires the Company to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. 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. Actual results may differ from these estimates.

The directors have considered the above and do not believe that there are any estimates or assumptions which have a significant effect on the amounts recognised in the financial statements that require disclosure.

Revenue recognition

Revenue from temporary placements comprises the value of the company services provided to clients, including the employment costs of temporary workers on assignments with clients.

Revenue from permanent placements, which is based on percentage of the candidate's remuneration package is derived from both retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income recognised at the candidate's start date). All revenue excludes value added tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Website	- 3 – 5 years
---------	---------------

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

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

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 2 – 10 years
Motor vehicles	- 4 years
Office Equipment	- 2 – 4 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Government grants

Government grants are recognised at the fair value of the asset received or receivable and represent grants received under the furlough scheme. Grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants have been received. Grant income has been recognised against the associated expense in the statement of comprehensive income.

Provisions

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

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument. The Company does not hold any third party financial assets.

Financial liabilities and equity instruments

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

Borrowing

Borrowings are initially recognised at fair value of the consideration received, after deduction of issue costs and are subsequently measured at amortised cost using the effective interest rate method less provision for any impairment. Issue costs, together with finance costs, are charged to the profit and loss over the term of the borrowings and present a constant proportion of the balance of capital repayments outstanding.

Employee benefits

The Company operates a defined contribution plan for all employees. The assets of the scheme are held separately from those of the company. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Recruitment services	<u>12,288,207</u>	<u>13,450,503</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2022	2021
	£	£
Government grant income	<u>185,723</u>	<u>1,960,884</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Amortisation of intangible assets	30,049	17,391
Depreciation of tangible assets	75,587	74,430
Gains on disposal of tangible assets	(9,101)	–
Impairment of trade debtors	<u>–</u>	<u>933</u>

7. Staff costs

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

	2022	2021
	No.	No.
Administrative staff	15	16
Management staff	6	6
Number of consultancy staff	<u>35</u>	<u>34</u>
	<u>54</u>	<u>56</u>

The aggregate payroll costs incurred during the year including the Directors and key management personnel; relating to the above, were:

	2022	2021
	£	£
Wages and salaries	<u>2,220,522</u>	<u>1,869,217</u>

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

8. Directors' remuneration

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

	2022	2021
	£	£
Remuneration	540,823	423,500
Company contributions to defined contribution pension plans	33,461	41,910
	<u>574,284</u>	<u>465,410</u>

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

	2022	2021
	No.	No.
Defined contribution plans	<u>4</u>	<u>4</u>

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

	2022	2021
	£	£
Aggregate remuneration	<u>145,094</u>	<u>182,213</u>

9. Other interest receivable and similar income

	2022	2021
	£	£
Interest on bank deposits	<u>699</u>	<u>768</u>

10. Tax on profit

Major components of tax expense

	2022	2021
	£	£
Current tax:		
UK current tax expense	4,431	—
Deferred tax:		
Origination and reversal of timing differences	(2,820)	32,020
Tax on profit	<u>1,611</u>	<u>32,020</u>

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	39,435	12,189
Profit on ordinary activities by rate of tax	7,493	2,316
Effect of expenses not deductible for tax purposes	231	1,212
Effect of capital allowances and depreciation	6,441	(15,322)
Effect of revenue exempt from tax	–	(130)
Utilisation of tax losses	(9,734)	–
Origination and reversal of timing differences	(2,820)	32,020
Deferred tax expense from unrecognised temporary difference from a prior period	–	11,924
Tax on profit	1,611	32,020

11. Dividends

	2022 £	2021 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	2,000,000	–

12. Intangible assets

	Website £
Cost	
At 1 April 2021	76,672
Additions	2,000
Disposals	(1,480)
At 31 March 2022	77,192
Amortisation	
At 1 April 2021	46,714
Charge for the year	30,049
Disposals	(1,480)
At 31 March 2022	75,283
Carrying amount	
At 31 March 2022	1,909
At 31 March 2021	29,958

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

13. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Office Equipment £	Total £
Cost				
At 1 April 2021	303,551	68,073	239,745	611,369
Additions	4,249	–	12,479	16,728
Disposals	(73,150)	(68,073)	(154,523)	(295,746)
At 31 March 2022	234,650	–	97,701	332,351
Depreciation				
At 1 April 2021	120,494	68,073	190,728	379,295
Charge for the year	26,403	–	49,184	75,587
Disposals	(73,150)	(68,073)	(154,523)	(295,746)
At 31 March 2022	73,747	–	85,389	159,136
Carrying amount				
At 31 March 2022	160,903	–	12,312	173,215
At 31 March 2021	183,057	–	49,017	232,074

14. Debtors

	2022 £	2021 £
Trade debtors	1,589,835	1,456,341
Amounts owed by group undertakings	636	1,998,200
Prepayments and accrued income	150,000	231,516
	1,740,471	3,686,057

Amounts owed by group undertakings are interest free, due on demand and unsecured.

15. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	62,478	7,084
Amounts owed to group undertakings	8,695	–
Accruals and deferred income	212,692	144,027
Corporation tax	4,431	–
Social security and other taxes	486,515	1,358,411
Other creditors	383,320	514,976
	1,158,131	2,024,498

Amounts owed to group undertakings are interest free, due on demand and unsecured.

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

16. Provisions

	Deferred tax (note 17) £
At 1 April 2021	24,053
Charge against provision	(2,820)
At 31 March 2022	<u>21,233</u>

17. Deferred tax

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

	2022 £	2021 £
Included in provisions (note 16)	<u>21,233</u>	<u>24,053</u>

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

	2022 £	2021 £
Accelerated capital allowances	26,899	28,200
Pension plan obligations	(5,666)	(4,147)
	<u>21,233</u>	<u>24,053</u>

18. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022 £	2021 £
Recognised in other operating income:		
Government grants recognised directly in income	<u>185,723</u>	<u>1,960,884</u>

19. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.50 each	<u>1,006,800</u>	<u>503,400</u>	<u>1,006,800</u>	<u>503,400</u>

The above shares have attached to them full voting, dividend and capital distribution rights.

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

20. Contingencies

There are fixed and floating charges made against the assets of the company for the benefit of the following parties:

RBS Invoice Finance Ltd

21. Operating leases

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

	2022	2021
	£	£
Not later than 1 year	150,688	150,688
Later than 1 year and not later than 5 years	389,277	539,965
	<u>539,965</u>	<u>690,653</u>

22. Reserves

Share Capital

The balance classified as equity share capital includes the total net proceeds (both nominal value and share premium) on the issues of the company's equity share capital.

Treasury shares

Treasury shares represent the cost of the company's shares purchased in the market and held by the company's Employee Benefit Trust to satisfy future exercise options under the company's share option schemes. The treasury shares reserve was released in the prior period, following the exercise of share options.

Capital Redemption Reserve

The capital redemption reserve is used to record the debt to equity arising on share redemptions.

Retained Earnings

The retained earnings reserve represents cumulative income and losses less dividends paid.

Northern Recruitment Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

23. Related party transactions

During the year the following transactions took place with related undertakings;

Galago Limited, the ultimate parent company, recharged costs of £20,769 (2021: £15,384). As at the reporting date, £1,360 (2021: £nil) was due to Galago Limited.

Galago Investments Limited, the parent company of the entity, recharged costs to the company of £72,000 (2021: £1,800). As at the year end £6,000 (2021: £1,998,800 was due from) was due to Galago Investments.

Nursdoc Limited, a company under common control, recharged costs to the company of £15,513 (2021: £6,657). As at the reporting date, £1,335 (2021: £657) was due to Nursdoc Limited.

NAG Recruitment Limited, a company under common control, was recharged costs by the company of £14,055 (2021: £nil). NAG Recruitment Limited recharged costs to the company of £2,916 (2021: £nil). As at the reporting date, £636 (2021: £nil) was due from NAG Recruitment Limited.

No further transactions were undertaken with related parties as such that are required to be disclosed under FRS 102.

24. Controlling party

The company's immediate parent company is Galago Investments Limited, a company incorporated in England and Wales with registered office and principle place of business of NWS House, Ground Floor, 1E High Street, Purley, CR8 2AF. The ultimate parent company is Galago Limited, a company incorporated in England and Wales with registered office and principle place of business of NWS House, Ground Floor, 1E High Street, Purley, CR8 2AF. This is the largest level at which consolidated accounts are prepared.

Copies of the consolidated financial statements of Galago Limited are publicly available on Companies House.