Registration number: 02099264

PRN Recruitment Limited

Annual Report

for the 52 weeks ended 30 December 2022

PRN Recruitment Limited

Contents

PRN Recruitment Limited

Company Information

Directors	R J Watson I J Munro T N Ramus J B Webb
Registered office	33 Soho Square London W1D 3QU
Auditors	BDO LLP 3 Hardman Street Manchester M3 3AT

Directors' Report for the 52 weeks ended 30 December 2022

The directors present their report and the financial statements for the 52 weeks ended 30 December 2022.

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

R J Watson

T Briant (resigned 3 March 2023)

J Robertson (resigned 3 March 2023)

The following directors were appointed after the period end:

M S Mehta (appointed 3 March 2023 and resigned 31 December 2023)

I J Munro (appointed 3 March 2023)

T N Ramus (appointed 3 March 2023)

J B Webb (appointed 3 March 2023)

Principal activity
The principal activity of the company is the provision of recruitment services. During 2021 the company changed its purpose and now no longer trades externally to the Impellam Group as the trade was transferred to a fellow Group company. All external trade assets and liabilities were settled during 2022. The directors have been considering opportunities for new areas of healthcare recruitment which could be developed by the Company but these opportunities have not crystalised and therefore the company has paused trading whilst we are waiting for new market opportunities to arise.

On 3 March 2023, the company, together with Impellams' other Healthcare Staffing businesses in the UK, Ireland and APAC (Medacs Global Group) and its Regional Specialist Staffing businesses in the UK was bought by Twenty20 Capital. Twenty20 Capital are Europe's largest specialist investor focussed on the human capital services sector.

Dividends
No dividend is paid or recommended in respect of either the current or the prior year.

Principal risks and uncertainties
Credit risk

The company is exposed to credit risk over receivables due from related parties where the recoverability of the amounts relies upon the underlying trade of the related party. The directors accept that there is then a risk and are considering ways of reducing these balances to mitigating the exposure.

Financial instruments

Objectives and policies

The company's principal financial instruments comprise intercompany receivables, intercompany. payables, intercompany balances and cash. These financial instruments arise directly from its operations. The company does not enter into derivative transactions.

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

Going concern
As noted in note 17, the company along with its parent RSS Global Limited (RSS) was acquired by Twenty20 Capital Investments Limited (Twenty20) in March 2023.

The Directors have adopted the going concern basis in preparing these financial statements after assessing the company's and the RSS Global Limited (RSS) group's principal risks, including an assessment of the outlook for the economic environment and the recruitment sector in the UK and Ireland, and the funding available to the company. RSS is funded by a mix of loan notes and an invoice discounting facility. RSS also is subject to cross guarantee arrangements with its subsidiaries under the invoice discounting facility and therefore is obligated to fund the company under that facility where such funding is required.

The loan notes are held by the company's parent undertaking, Twenty20. Twenty20 and its shareholder entities have also issued a letter of support to RSS and guaranteed to make a further loan facility of up to £10m available until 31 December 2024.

The invoice discounting facility has a term of 30 months from 3 March 2023 and provides funding linked to a set percentage of UK trade receivables of the RSS Global Limited group, up to a maximum of £70m. The facility has certain financial covenant related to EBITDA, interest cover and minimum facility headroom.

The Directors have carried out a comprehensive assessment of the Group's ability to continue as a going concern. This assessment has involved the review of medium-term cash flow and covenant modelling over a 12-month period to 31 December 2024. This includes expectations on the future economic environment as well as other principal risks associated with the company's ongoing operations. The assessment includes a base case scenario setting out the Directors' current expectations of future trading and plausible downside scenario to assess the potential impact on the company's future financial performance. The key judgement in both scenarios is the level of economic disruption caused by the ongoing high inflation and high interest rate environment. The downside scenario includes weaker macroeconomic conditions leading to a volume decline of 10% in FY24. In the base case and plausible mitigated downside scenarios the Group has sufficient liquidity and covenant headroom in its existing facilities and no covenants are breached at any of the forecast testing dates.

From recent experience gained from managing adverse trading conditions through Covid and across other Group companies, the Directors are confident that if there were an economic downturn, the company would be able to take the appropriate mitigating actions to continue to trade for the foreseeable future. If an economic downturn occurs, cost saving measures will be implemented over and above what we have planned and there are sufficient cash resources or access to funding via the Twenty20 Loan Note facility detailed above, to support any short to medium-term impact.

Having considered all the elements of the financial projections, sensitivities and mitigating actions, the Directors confirm they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and to meet all banking covenants.

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

In accordance with Section 489 of the Companies Act 2006, a resolution for the reappointment of BDO LLP as auditor of the Company is expected to be proposed at the Annual General Meeting.

Approved by the Board on 25 January 2024 and signed on its behalf by:

....

R J Watson
Director

PRN Recruitment 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 PRN Recruitment Limited

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 December 2022 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.

We have audited the financial statements of PRN Recruitment Limited (the 'Company') for the 52 weeks ended 30 December 2022, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
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.

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The 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.

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

We have nothing to report in this regard.

Independent Auditor's Report to the Members of PRN Recruitment Limited (continued)

Other Companies Act 2006 reporting
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations
Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employee pay legislation.

Independent Auditor's Report to the Members of PRN Recruitment Limited (continued)

Our procedures in respect of the above included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of non-compliance;
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  o Detecting and responding to the risks of fraud; and
  o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the area's most susceptible to fraud to be management override of control.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

DocuSigned by:

Steven Roberts

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

Manchester, UK

Date: 25 January 2024

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

PRN Recruitment Limited

Profit and Loss Account for the 52 weeks ended 30 December 2022

	Note	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Turnover	4	7	1,179
Cost of sales		(3)	(1,013)
Gross profit		4	166
Administrative expenses		(64)	(142)
Operating (loss)/profit	5	(60)	24
Interest payable and similar expenses	7	-	(1)
(Loss)/profit before tax		(60)	23
Tax on (loss)/profit	10	(6)	(12)
(Loss)/profit for the period		(66)	11

The above results were derived from discontinued operations.

PRN Recruitment Limited

Statement of Comprehensive Income for the 52 weeks ended 30 December 2022

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
(Loss)/profit for the period	(66)	11
Total comprehensive income for the period	(66)	11

(Registration number: 02099264)
Balance Sheet as at 30 December 2022

	Note	30 December 2022 £ 000	31 December 2021 £ 000
Current assets			
Debtors	11	1,596	1,743
Cash at bank and in hand	12	371	342
Deferred tax asset	10	-	7
		1,967	2,092
Creditors: Amounts falling due within one year	13	(32)	(91)
Net assets		1,935	2,001
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account		1,934	2,000
Shareholders' funds		1,935	2,001

These financial statements were approved by the Board on 25 January 2024 and signed on its behalf by:

....
R J Watson
Director

PRN Recruitment Limited

Statement of Changes in Equity for the 52 weeks ended 30 December 2022

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 2 January 2021	1	1,989	1,990
Profit for the period	-	11	11
Total comprehensive income	-	11	11
At 31 December 2021	1	2,000	2,001

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022	1	2,000	2,001
Loss for the period	-	(66)	(66)
Total comprehensive income	-	(66)	(66)
At 30 December 2022	1	1,934	1,935

1 General information

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

The address of its registered office is:
33 Soho Square
London
W1D 3QU

These financial statements were authorised for issue by the Board on 25 January 2024.

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").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK adopted international accounting standards.

Summary of disclosure exemptions
In these financial statements, the Company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 7 - 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13 - 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 - 'Revenue from Contracts with Customers' (disaggregation of revenue, significant changes in contract assets and liabilities, details on transaction price allocation, timing of the satisfaction of performance obligations and significant judgements made in the application of IFRS 15).
- Paragraph 38 of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):

  - paragraph 79(a)(iv) of IAS 1
  (reconciliation of number of shares at the beginning and end of the period)
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):

  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38B-D (additional comparative information);
  - 111 (cash flow statement information);
  - 134-136 *(capital management disclosures)*
- IAS 7 - 'Statement of cash flows'.

2 Accounting policies (continued)

- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).

Going concern

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

As noted in note 17, the company along with its parent RSS Global Limited (RSS) was acquired by Twenty20 Capital Investments Limited (Twenty20) in March 2023.

The Directors have adopted the going concern basis in preparing these financial statements after assessing the company's and the RSS Global Limited (RSS) group's principal risks, including an assessment of the outlook for the economic environment and the recruitment sector in the UK and Ireland, and the funding available to the company. RSS is funded by a mix of loan notes and an invoice discounting facility. RSS also is subject to cross guarantee arrangements with its subsidiaries under the invoice discounting facility and therefore is obligated to fund the company under that facility where such funding is required.

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From recent experience gained from managing adverse trading conditions through Covid and across other Group companies, the Directors are confident that if there were an economic downturn, the company would be able to take the appropriate mitigating actions to continue to trade for the foreseeable future. If an economic downturn occurs, cost saving measures will be implemented over and above what we have planned and there are sufficient cash resources or access to funding via the Twenty20 Loan Note facility detailed above, to support any short to medium-term impact.

Having considered all the elements of the financial projections, sensitivities and mitigating actions, the Directors confirm they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and to meet all banking covenants.

2 Accounting policies (continued)

Changes in accounting policy

None of the other standards, interpretations and amendments effective for the first time from 1 January 2022 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.

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 temporary staffing 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.

Principal versus agent

The Company assesses whether it is acting as agent or principal depending on whether the client has a direct relationship with the Company, whether the Company has the primary responsibility for providing the services and whether the Company has control of or holds the inventory risk over the worker placed.

Where the Company acts as a principal in the supply, revenue is recognised as the gross amount due, net of value-added tax, rebates and discounts and after eliminating sales made within the Company. Where the Company provides a service in which it acts as agent for the client, the amount of revenue recognised is limited to the management fee receivable for that service after making provision for any losses foreseen, volume rebates and any other amounts payable rather than the full amount invoiced. Trade receivables and payables related to these sales are recorded at full invoice value. The Company conducts business purely on a principal basis.

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.

2 Accounting policies (continued)

Contract liabilities

Contract liabilities and customer deposits are recognised in the balance sheet 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.

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.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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)

Trade receivables
Trade receivables, which have various terms, are non-interest-bearing and are recognised and carried at fair value and subsequently measured at amortised cost, being the original invoice amount less an allowance for uncollectible amounts, credit notes and expected credit losses.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss provision is based on the Company's expectation of future credit losses over the current receivables balance. These expectations are based upon known issues effecting specific debtors as well as general forward-looking information on factors affecting the Company's customers as a whole as well as an awareness of the economic conditions in the countries where the Company operates. These risk factors are considered both on initial recognition of the receivable and as part of the ongoing assessment. If there has been a significant increase in the credit risk since the initial recognition then an increased loss provision is recognised.

Amounts owed by related parties
Amounts owed by related parties are assessed for impairment based upon the current financial position and expected future performance of the party to which they relate. Amounts due from related parties are interest free demand loans.

The Company applies the IFRS 9 general approach to measuring expected credit losses. This approach requires an assessment at the initiation of the loan as to the risk of default, and a further assessment when the credit risk profile of the loans change. IFRS 9 applies a 3 stage model that is applied when calculating the expected credit losses:
• Stage 1 is defined as having no Significant Increase In Credit Risk ('SICR') – a 12 month expected credit loss is recognised at this point.
• Stage 2 is defined as having a SICR – a lifetime expected credit loss is recognised at this point.
• Stage 3 is defined as being credit impaired – a lifetime expected credit loss is recognised at this point.

There is no impact to any interest due to the Group company loans being interest free.

The Company defines the following:
Definition of a default – A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient assets to repay the loan on demand.
SICR assessment – The risk that the borrower will default on a demand loan depends on whether the party has sufficient cash or other assets to repay the loan immediately (meaning that the risk of default is very low and the loan is in Stage 1); or does not have sufficient cash or other assets to repay the loan immediately (meaning that the risk of default is higher, and the loan could be in Stage 2 or Stage 3).
Credit impaired indicators - A loan is considered to be credit impaired if it meets the definition of a defaulted loan.

The Company performs this assessment qualitatively by reference to the borrower's immediate cash flow and asset position.

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 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).

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

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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding tangible assets and deferred tax assets.

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:

2 Accounting policies (continued)

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).

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.

2 Accounting policies (continued)

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

The directors do not consider any estimates of judgements made during the period to be critical.

4 Turnover

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

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
UK	7	1,179

5 Operating (loss)/profit

Arrived at after charging

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Operating lease expense - other	-	1

6 Auditors' remuneration

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Audit of the financial statements	8	8

The audit fee for the current and prior period has been borne by a fellow group company.

7 Interest payable and similar expenses

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Other finance costs	-	1

8 Staff costs

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

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Wages and salaries	46	26
Social security costs	5	3
	51	29

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

	52 weeks 30 December 2022 No.	52 weeks 31 December 2021 No.
Administration and support	3	3
Other departments	1	1
	4	4

9 Directors' remuneration

The emoluments of the directors are paid by the ultimate parent company, Impellam Group Plc, or another Group company. The emoluments attributable to services in relation to this company are £nil (31 December 2021: £1,000).

10 Income tax

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

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Current taxation		
UK corporation tax	(1)	14
UK corporation tax adjustment to prior periods	-	4
	(1)	18
Deferred taxation		
Arising from origination and reversal of temporary differences	-	(1)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	7	(5)
Total deferred taxation	7	(6)
Tax expense in the profit and loss account	6	12

10 Income tax (continued)

The tax on profit for the period is lower than the standard rate of corporation tax in the UK (31 December 2021 - higher than the standard rate of corporation tax in the UK) of 19% (31 December 2021 - 19%).

The differences are reconciled below:

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
(Loss)/profit before tax	(60)	23
Corporation tax at standard rate	(11)	4
Increase in current tax from adjustment for prior periods	-	4
Increase from transfer pricing adjustments	10	10
Deferred tax expense/(credit) from unrecognised temporary difference from a prior period	7	(5)
Deferred tax credit relating to changes in tax rates or laws	-	(1)
Total tax charge	6	12

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.

On 3 March 2021 it was announced that the UK corporate tax rate would increase to 25% from 1 April 2023. This is likely to result in an increase in the Group's UK tax charge from that date. UK deferred tax balances that are forecast to unwind after 1 April 2023 have been re-measured and recognised at 25%.

Deferred tax

Deferred tax assets and liabilities

30 December 2022	Asset £ 000	Liability £ 000	Net deferred tax £ 000
Provisions	-	-	-
	-	-	-

31 December 2021	Asset £ 000	Liability £ 000	Net deferred tax £ 000
Provisions	7	-	7
	7	-	7

10 Income tax (continued)

Deferred tax movement during the period:

	At 1 January 2022 £ 000	Recognised in income £ 000	At 30 December 2022 £ 000
Provisions	7	(7)	-
	7	(7)	-

Deferred tax movement during the prior period:

	At 2 January 2021 £ 000	Recognised in income £ 000	At 31 December 2021 £ 000
Provisions	1	6	7
	1	6	7

11 Trade and other receivables

	30 December 2022	31 December 2021
Trade and other receivables falling due within one year	**£ 000**	**£ 000**
Trade receivables	1	6
Receivables from related parties	1,586	1,729
Other receivables	9	8
	1,596	1,743

Trade receivables are stated after a provision of £3,000 (31 December 2021: £1,000). Receivables from related parties are interest free, unsecured and repayable on demand.

12 Cash at bank and in hand

	30 December 2022 £ 000	31 December 2021 £ 000
Cash at bank	371	342

13 Trade and other payables

	30 December 2022 £ 000	31 December 2021 £ 000
Accrued expenses	-	19
Amounts due to related parties	32	32
Social security and other taxes	-	36
Income tax liability	-	4
	32	91

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

14 Share capital

Allotted, called up and fully paid shares

	30 December 2022 No.	30 December 2022 £	31 December 2021 No.	31 December 2021 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

15 Contingent liabilities

On 3 March 2023 The company, together with other companies in the RSS Group, entered an Invoice Discount agreement with Close Brothers. The company has given cross guarantees as part of the Group's Invoice Discount facility. As at 17 January 2024 the aggregate amount outstanding against this facility was £27,624,000. Previously the company had given cross guarantees as part of the groups revolving credit facility, of which the company was a member; the aggregate amount outstanding against this facility at 30 December 2022 was £77,841,000 (31 December 2021: £101,965,000).

16 Parent of group in whose consolidated financial statements the Company is consolidated

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

At the year end, the ultimate parent was Impellam Group Plc.

At the end of the year, the company identified Lord Ashcroft as the ultimate controlling party as he had 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 had significant influence over the company..

17 Non adjusting events after the financial period

On 3 March 2023, the company was bought by Twenty20 Capital Investments Limited Group. The ultimate parent parties of which are Twenty20 Capital Limited and IJMH Limited.