Registration number: 02681320

Science Recruitment Group Limited

Annual Report

for the 52 weeks ended 30 December 2022

Science Recruitment Group Limited

Contents

Science Recruitment Group Limited

Company Information

Directors	T Briant J Robertson
Registered office	800 The Boulevard Capability Green Luton LU1 3BA
Auditors	BDO LLP 55 Baker Street London W1U 7EU

Strategic Report for the 52 weeks ended 30 December 2022

The directors present their strategic report for the 52 weeks ended 30 December 2022.

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

	52 weeks 30 December 2022 £000s	52 weeks 31 December 2021 £000s	Change %
Turnover	109,101	113,694	(4.0)
Gross Profit	17,510	18,551	(5.6)
Administrative expenses	(10,697)	(9,688)	10.4
Operating profit	6,813	8,863	(23.1)
Gross profit percentage (%)	16.0	16.3	
Conversion rate (%) (Operating profit to Gross profit)	38.9	47.8	
Permanent fees as a % of Gross profit	22.4	21.3	

The Company operates within the core STEM specialist markets of clinical, engineering and life science, focusing on temporary, permanent and outsourced solutions, working with clients to offer the most appropriate solution for their requirement.

During the year the company successfully retained a number of key strategic contracts whilst also further developing new service lines such as a tailored executive offering, enabling the company to deliver revenues of £109.1m and gross profit of £17.5m. Revenues in the year continued to be impacted by a continuation of services linked to COVID testing, however volumes across this customer base diminished in the final trading quarter of the year. To support the demand for services, the company invested in operational staff to support our candidates and customers and the resulting wages and associated costs contributed to administrative expenses growing by 10.4%. Operating profit for the year was £6.8m, 23.1% down on prior period driving an operating profit conversion rate of 38.9% compared to 47.8% in the prior year. The company will continue to review the operating business model to ensure we can adapt our service offerings to meet our customers' evolving requirements.

In the first quarter of 2023, all on-going activities linked to COVID testing ceased, albeit trading has began in line with expected levels.

Future developments
Pipelines remain strong but we will continue to remain vigilant, given the political and economic challenges of inflationary pressure, interest rate rises and ongoing talent shortages across all our regions and core markets.

During the year, we completed the transformation of our core digital systems and STEM businesses now operate on a common platform, driving collaboration and enhancing our customer and candidate interactions and improving productivity and efficiency. We supported our people and balanced performance and wellbeing by continuing to work flexibility between office, home and customer locations.

The directors continue to monitor the performance of the company and are confident of its continued success.

Principal risks and uncertainties

Attracting and retaining talent

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

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

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

Customer concentration

General decline in a particular industry sector, loss of a key customer or a significant reduction in business volume on a key account could result in reduced revenue and/or increased pressure on gross profit. This exposure is known to have impacted on some of the company's competitors. With the outbreak of COVID-19 the pandemic is now creating significant economic uncertainty for our clients.

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

Technology Systems

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

Cyber and Information security

The risk of external cyber attacks continues to increase. A successful attack could result in loss of sensitive data, business disruption and/or damage to the Company's reputation. A programme to enhance security of the Company's systems against cyber attack has been implemented and the business achieved Cyber Essentials Plus certification in 2021.

Regulatory environment

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

Appropriate policies and codes of conduct are in place across the company and regular training is provided to employees. Process and system changes required to ensure effective management of IR35 changes have been identified and are being implemented. External professional advice is sought where insufficient knowledge exists within the company.

Environmental matters

An Energy and Carbon report has not been included within the report as it is included within the group report of Impellam Group Plc.

Section 172 statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision-making. We believe we have a history of collaborative, informative stakeholder engagement and decision-making based on long-term success, and we maintain governance structures and processes that support good decision-making.

This section articulates how the Directors have acted to promote the success of the Company for the benefit of its stakeholders. In meeting this responsibility, the Directors have had regard, amongst other matters, to:

a) the likely consequences of any decisions in the long term;
b) the interests of the Company's colleagues;
c) the need to foster the Company's business relationships with suppliers, customers and others;
d) the impact of the Company's operations on the community and environment;
e) the Company's reputation for high standards of business conduct; and
f) the need to act fairly as between members of the Company.

The Board of Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole (having regard to the stakeholders and matters set out in section 172(1) (a-f) of the Act) in the decisions taken during the current period.

Stakeholders of the Company are clients, candidates, suppliers, employees, shareholders and lenders and the Board recognises the need to regularly review the identity of its stakeholders as it makes decisions. We develop and encourage long-term relationships with our stakeholders based upon our vision 'to be the world's most trusted staffing company - trusted by our people, our customers and our investors in equal measure'.

We engage with our customers in ways most appropriate to their markets, and continually review their satisfaction and our performance either quarterly, biannually and annually. This is supported by feedback via survey's face-to-face meetings, net promoter scores and surveys.

Our employees are fundamental to the delivery of our vision, mission, strategic and financial promises to our stakeholders. Our people are inducted, trained and supported by managers and colleagues to understand the promise-based ethos to all their interactions with candidates, customers and each other. This underpins our culture of trust and helps people feel engaged in the long-term success of the business. A shadow board, the Virtuoso Alliance, employee councils across the Impellam Group, including those of the Company, surveys, net promoter scores and Best Companies' accolades all ensure we are engaging with and listening to our employees.

Our mission as a business is to 'provide a sense of purpose and fulfilment for our people to help our customers build better businesses in a changing world' which includes not just our people but also the candidates we provide to our customers. We ensure engagement with our candidates using net promoter scores, real-time feedback and surveys.

Further, our strategy ensures that we place the highest expectations on our supply chain, especially those supplying workers but also the myriad of partners on whom we depend - whether they are supplying stationery or sourcing workers. All suppliers are expected to sign up to our Supplier Code of Conduct and to abide by the commitments contained in this.

Engagement with stakeholders
The Company's stakeholders are clients, candidates, suppliers, colleagues, investors and lenders and the Board recognises the need to regularly engage with its stakeholders as it makes decisions. We develop and encourage long-term relationships with our stakeholders based upon main Impellam Group's vision 'to be the world's most trusted staffing company – trusted by our people, our clients and our investors in equal measure'.

As part of this vision, our stakeholders' interests have been forefront when the Board of Directors set the strategic priorities of the Company. The strategic priorities of: Enabling our Virtuosos; Transforming our Portfolio; and Improving Resilience include consideration of the key stakeholder groups and how we engage with them.

In addition to regular stakeholder engagement, as the Board of Directors, our intention is to take into account our operational impacts on the community and environment, and our wider societal responsibilities, and in particular, how we impact the regions we serve. We support our communities by finding them good work, supporting local corporate social responsibility initiatives and ensuring our impact on the environment is minimal, as demonstrated by our ISO 14001 accreditation.

Key decisions

Digital transformation

During the year we invested in our core technology platforms to make greater use of digital solutions to improve the efficiency of our business processes.

Stakeholder considerations:
Colleagues, candidates and clients
The investment in the digital transformation systems will ensure the Company is easier and quicker to deal with, generating efficiencies across the candidate journey and enhancing the client experience. We have ensured that by allowing blended working we continue to meet the requirements of our clients and candidates.

Investors and lenders
The investment will ensure that our digital strategies and policies meet the constantly evolving business requirements, helping to improve the resiliency and efficiency and so make the company a more robust proposition.

Outcome
The new digital offerings, which include a new pay/bill system, were rolled out during the second half of the period. In taking these decisions and considering the digital needs of our candidates, customers and colleagues we will ensure we create long term success and become a truly data-led company.

Property rationalisation

In a continued effort to support our hybrid working model, the company decided to rationalise our property estate and actively reduce our portfolio size.

Stakeholder considerations:
Colleagues, candidates and clients
Through a combination of a culture of encouraging feedback, survey insights and listening to our colleagues, candidates and clients, we ensured that any changes to the portfolio allowed the company to still offer a safe working environment for all visitors to the properties.

Investors and lenders
By reducing the property portfolio size the company has been able to deliver cost savings and profit growth. This will drive increased shareholder value and enable the company to continue to meet our cash flow targets and manage our lender requirements accordingly.

Outcome
Through rationalising the portfolio, the company has ensured it has an appropriate portfolio balance to support both remote working and face-to-face interactions.

Academy Investment

The company has instigated a training academy to improve the quality of colleagues and candidates.

Stakeholder considerations:

Colleagues and candidates

By training colleagues in the company we continue to build towards a high-skill workforce who can react agilely and knowledgeably to any new challenges that may arise. By improving the skills of our candidates, they are both able to provide a better service to our clients and achieve a higher pay rate.

Clients

Having access to more trained colleagues and candidates the clients will receive a better service and any issues that may be encountered will be dealt with more efficiently as it aids staff retention and so there is less inefficiencies which arise from a high turnover of people on the account.

Investors and lenders

Up-skilling home-grown talent provides better value for money in the long term and so drives improvements in drives increase company value.

Outcome

Through the academy investment the company will be better placed to meet the challenges of a changing technological world and work environment.

Approved by the Board on 27 June 2023 and signed on its behalf by:

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T. Briant
Director

Directors' Report for the 52 weeks ended 30 December 2022

The directors present their Annual 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:

T Briant

J Robertson

R J Watson (resigned 3 March 2023)

Principal activity
The principal activity of the company is the provision of employment services in the science and pharmaceutical sectors.

Dividends
During the period, the company paid an interim dividend in respect of 2022 of £200,000 per share totalling £20,000,000 (2021: £Nil). No final dividend has been paid or is recommended in respect of the current or previous period.

Financial instruments

Objectives and policies

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

Financial instrument risk

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

Interest rate risk
The company's exposure to interest rate risk is minimal as most borrowings are held at a group level and supplier finance agreements are only accessed at certain times to limit the amount drawn. The company does not currently hedge this risk

Foreign currency risk
The company is exposed to fluctuations in the exchange rate between sterling and Euro. Wherever possible this risk is managed by ensuring expenses related to the generation of these overseas revenues are in the same currency as the income. The company does not seek to hedge this exposure.

Liquidity risk
The company relies on the group to manage liquidity risk. The Group has a central Treasury function in place with regular forecasting, reporting and review procedures.

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

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

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

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

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

Environmental matters
An Energy and Carbon report has not been included within the report as it is included within the group report of Impellam Group Plc.

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

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

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

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

To date the Company has not experienced any direct impact from the events in Ukraine or from the resulting economic uncertainties. The Directors continue to monitor the economic conditions for any signs of a possible downturn that may adversely impact trading. From the recent experience gained from managing adverse trading conditions, the Directors are confident that if there were an economic downturn the Company would be able to take appropriate mitigating actions to continue to trade for the foreseeable future.

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

The auditors BDO LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 27 June 2023 and signed on its behalf by:

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T Briant
Director

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.

Science Recruitment Group Limited

Independent Auditor's Report to the Members of Science Recruitment Group 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 profit 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 Science Recruitment Group 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.

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

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

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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:

Audit procedures to address these risks are listed below:

- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, legal correspondence or confirmations (where relevant) and specific audit testing.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it is considered there was a susceptibility of fraud. Our considerations included enquiries with management and group management.

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.

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

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:

Stuart Godfrey

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Stuart Godfrey (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

London, UK

28 June 2023

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

Science Recruitment Group 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	109,101	113,694
Cost of sales		(91,591)	(95,143)
Gross profit		17,510	18,551
Administrative expenses		(10,697)	(9,688)
Operating profit	5	6,813	8,863
Interest receivable and similar income	6	-	5
Interest payable and similar expenses	7	(26)	(21)
Profit before tax		6,787	8,847
Tax on profit	11	(1,412)	(1,772)
Profit for the period		5,375	7,075

The above results were derived from continuing operations.

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

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Profit for the period	5,375	7,075
Total comprehensive income for the period	5,375	7,075

The notes on pages 18 to 38 form an integral part of these financial statements.

Science Recruitment Group Limited

(Registration number: 02681320)
Balance Sheet as at 30 December 2022

	Note	30 December 2022 £ 000	31 December 2021 £ 000
Non-current assets			
Tangible assets	12	125	62
Right of use assets	13	383	168
Receivables from related parties	15	29,964	23,608
		30,472	23,838
Current assets			
Debtors	15	16,167	16,812
Cash at bank and in hand	16	1,552	1,731
Income tax asset		88	-
Deferred tax asset	11	20	73
		17,827	18,616
Creditors: Amounts falling due within one year	17	(38,331)	(17,917)
Net current (liabilities)/assets		(20,504)	699
Total assets less current liabilities		9,968	24,537
Creditors: Amounts falling due after more than one year	18	(248)	(150)
Provisions for liabilities	19	(76)	(118)
Net assets		9,644	24,269
Capital and reserves			
Called up share capital	21	-	-
Share premium reserve	22	756	756
Profit and loss account		8,888	23,513
Shareholders' funds		9,644	24,269

These financial statements were approved by the Board on 27 June 2023 and signed on its behalf by:

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T Briant
Director

Science Recruitment Group Limited

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

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 2 January 2021	-	756	16,438	17,194
Profit for the period	-	-	7,075	7,075
Total comprehensive income	-	-	7,075	7,075
At 31 December 2021	-	756	23,513	24,269

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022	-	756	23,513	24,269
Profit for the period	-	-	5,375	5,375
Total comprehensive income	-	-	5,375	5,375
Dividends	-	-	(20,000)	(20,000)
At 30 December 2022	-	756	8,888	9,644

The notes on pages 18 to 38 form an integral part of these financial statements.

1 General information

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

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

These financial statements were authorised for issue by the Board on 27 June 2023.

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 as they are included in the Group accounts of Impellam Group Plc 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).
- The requirements of paragraph 52 [lessee], the second sentence of paragraph 89, and paragraphs 90, 91 and 93 [lessor] of IFRS 16 - 'Leases' (lessee disclosures and lessor disclosures in relation to finance leases and lease income on operating leases).
- 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).

  - paragraph 73(e) of IAS 16, 'Property, plant and equipment'
  (reconciliations between the carrying amount at the beginning and end of the period)

  - paragraph 118(e) of IAS 38, 'Intangible assets'
  (reconciliations between the carrying amount at the beginning and end of the period)

2 Accounting policies (continued)

- 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); and
  - 134-136 (capital management disclosures).

- IAS 7 - 'Statement of cash flows'.
- 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 wholly owned members of a group).

Going concern

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

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

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

To date the Company has not experienced any direct impact from the events in Ukraine or from the resulting economic uncertainties. The Directors continue to monitor the economic conditions for any signs of a possible downturn that may adversely impact trading. From the recent experience gained from managing adverse trading conditions, the Directors are confident that if there were an economic downturn the Company would be able to take appropriate mitigating actions to continue to trade for the foreseeable future.

Exemption from preparing group accounts

The financial statements contain information about Science Recruitment Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Impellam Group Plc, a company incorporated in United Kingdom.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2022 have had a material effect on the financial statements.

2 Accounting policies (continued)

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.
- Revenue derived from permanent placements is recognised and accrued when the employment of the individual commences with provision made for potential refunds which can be payable if the placement is terminated within a set period ranging from 14 to 100 days. Revenue recognised from a permanent placement uses a transaction price typically based on a percentage of the candidate's remuneration package and is recognised when the candidate commences work with the client which is the only performance obligation and point at which control was transferred involved in the supply.
- For revenue derived from both temporary staffing and permanent placements payment is due following the completion of the performance obligations and an agreed period of credit dependent on the agreed contract with the client.
- All revenue is recognised as the gross amount due, net of applicable sales taxes, rebates and discounts.

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)

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 Key Performance Indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Finance income and costs policy

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

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

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.

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

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

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

Tangible assets

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

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

2 Accounting policies (continued)

Depreciation
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	over the term of the lease
Fixtures, fittings and equipment	over 3-10 years

Intangible assets
Intangible assets represent the carrying value of computer software and licences.

Carrying value is equal to cost less accumulated amortisation and impairment or, in the case of assets acquired through business combinations, fair value at date of acquisition less accumulated amortisation and impairment.

Computer software and licences are defined as having finite useful lives and the costs are amortised on a straight-line basis over the estimated useful lives of each of the assets, considered to be between three to five years. The expense is taken to the income statement through the "depreciation and amortisation" line within administrative expenses.

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

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

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date.

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 affecting 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.

2 Accounting policies (continued)

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 on-demand loans. The Company assesses the expected recoverability period of receivables and, if they are not expected to be realised within the following twelve months, are assessed as non-current.

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 an on-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.

Trade payables

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

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

Provisions

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

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

2 Accounting policies (continued)

Leases

Definition

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low-value assets and leases with an expected full term of 12 months or less.

Lease liabilities are measured at the present value of the unpaid contractual payments over the expected lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

Initial recognition and measurement

On initial recognition, the carrying value of the lease liability also includes amounts expected to be payable under any residual value guarantee; the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to exercise that option; and any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent measurement

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is less than £5,000 (i.e., low value leases).

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

Sub leases

Where the Company acts as a lessor by sub-letting specific leases, each such lease is classed either as a finance lease, if the sub-let transfers substantially all the risks and rewards of the underlying asset to the lessee, or an operating lease, if not. The Company endeavours to ensure that any sub-lease covers the full remaining term of the lease.

Where the Company recognises an asset from a finance lease, such asset replaces the right-of-use asset arising from the head lease and is recorded as a receivable called net investment in the lease. Subsequent to initial measurement, the net investment in the lease increases as a result of interest charged at a constant rate on the balance outstanding and is reduced for lease payments made. These assets are reviewed for recoverability using the simplified arrangements under the expected credit loss model creating a lifetime expected credit loss provision.

2 Accounting policies (continued)

Lease modifications

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at a revised discount rate that is implicit in the lease for the remainder of the lease term. The carrying value of lease liabilities is similarly revised if any variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification. If the renegotiation results in one or more additional assets being leased for an amount similar to the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy. In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure the carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of use asset is adjusted by the same amount.

Right-of-use assets are reviewed regularly to ensure that the useful economic life of the asset is still appropriate based on the usage of the asset. Where the asset has reduced in value the Company considers the situation on an asset-by-asset basis and either treats the reduction as an acceleration of depreciation or as an impairment under IAS 36 Impairment of Assets. An acceleration of depreciation occurs in those cases where there is no opportunity or intention to utilise the asset before the end of the lease. An impairment is recognised in those few cases where the current value-in-use of the asset is significantly less than the carrying amount and there is no intention or opportunity known of that mitigates this impairment.

For contracts that both convey a right to the Company to use an identified asset and obtain substantially all the economic benefits from the asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease.

Share capital

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

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders. In the case of interim dividends to equity shareholders, this is when they are paid.

2 Accounting policies (continued)

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, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

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 company's accounting policy for each category is as follows:

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 FVTOCI.

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 company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The company has not made any significant judgements when applying the accounting policies.

The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

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

4 Turnover

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

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Temporary placements	105,185	109,827
Permanent placements	3,916	3,867
	109,101	113,694

4 Turnover (continued)

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	107,607	110,715
Europe	951	1,735
Rest of world	543	1,244
	109,101	113,694

5 Operating profit

Arrived at after charging

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Depreciation expense	82	47
Depreciation on right of use assets	115	58
Amortisation expense	-	1
Foreign exchange (losses)/gains	(36)	50
Operating lease expense - property	63	53
Operating lease expense - plant and machinery	3	11

Operating lease expenses above relate to payments in respect of short term leases of £63,000 (31 December 2021: £53,000) and leases of low value items of £3,000 (31 December 2021: £11,000).

6 Interest receivable and similar income

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Interest income on leases	-	5

7 Interest payable and similar expenses

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Interest expense on other financing liabilities	8	3
Interest expense on leases	13	11
Other finance costs	5	7
	26	21

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	6,668	6,508
Social security costs	800	725
Pension costs, defined contribution scheme	182	149
Other employee expense	18	16
	7,668	7,398

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	116	100

In addition to the above, the company employs some of the staff who are supplied to clients and whose costs are part of the company's cost of sales. The average number of full-time equivalents of these for 30 December 2022 was 910 (31 December 2021: 761) and the aggregate staffing costs for these was £89,343,000 (31 December 2021 : £94,118,000).

9 Directors' remuneration

The emoluments of the directors are paid by the ultimate parent company, Impellam Group Plc. The emoluments attributable to the services to this company are £14,000 (31 December 2021: £12,000).

10 Auditors' remuneration

	52 weeks 30 December 2022 £ 000	52 weeks 31 December 2021 £ 000
Audit of the financial statements	37	13

11 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	1,382	1,776
UK corporation tax adjustment to prior periods	(23)	10
	1,359	1,786
Deferred taxation		
Arising from origination and reversal of temporary differences	16	(18)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	37	4
Total deferred taxation	53	(14)
Tax expense in the profit and loss account	1,412	1,772

The tax on profit before tax for the period is higher 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
Profit before tax	6,787	8,847
Corporation tax at standard rate	1,289	1,681
Decrease in current tax from adjustment for prior periods	(23)	-
(Decrease)/increase from effect of expenses not deductible in determining taxable profit (tax loss)	(2)	17
Decrease arising from group relief tax reconciliation	-	(16)
Increase from transfer pricing adjustments	111	76
Increase in current tax from unrecognised tax loss or credit	-	10
Deferred tax expense from unrecognised temporary difference from a prior period	37	4
Total tax charge	1,412	1,772

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 and this was substantively enacted on 24 May 2021. 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%.

11 Income tax (continued)

Deferred tax

Deferred tax assets and liabilities

31 December 2021	Asset £ 000	Liability £ 000	Net deferred tax £ 000
Accelerated tax depreciation	35	-	35
Provisions	38	-	38
	73	-	73

30 December 2022	Asset £ 000	Liability £ 000	Net deferred tax £ 000
Accelerated tax depreciation	-	(2)	(2)
Provisions	22	-	22
	22	(2)	20

Deferred tax movement during the period:

	At 1 January 2022 £ 000	Recognised in income £ 000	At 30 December 2022 £ 000
Accelerated tax depreciation	35	(37)	(2)
Provisions	38	(16)	22
Net tax assets	73	(53)	20

Deferred tax movement during the prior period:

	At 2 January 2021 £ 000	Recognised in income £ 000	At 31 December 2021 £ 000
Accelerated tax depreciation	28	7	35
Provisions	31	7	38
Net tax assets	59	14	73

The directors believe that the deferred tax assets are recoverable against future profits of the company.

12 Tangible assets

	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation		
At 1 January 2022	119	119
Additions	145	145
At 30 December 2022	264	264
Depreciation		
At 1 January 2022	57	57
Charge for the period	82	82
At 30 December 2022	139	139
Carrying amount		
At 30 December 2022	125	125
At 31 December 2021	62	62

13 Right of use assets

	Property £ 000	Total £ 000
Cost or valuation		
At 1 January 2022	331	331
Additions	330	330
At 30 December 2022	661	661
Depreciation		
At 1 January 2022	163	163
Charge for the period	115	115
At 30 December 2022	278	278
Carrying amount		
At 30 December 2022	383	383
At 31 December 2021	168	168

14 Investments

Details of the subsidiaries as at 30 December 2022 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held 30 December 2022	31 December 2021
Guidant Group Switzerland AG*	Employment services	Martin-Disteli-Strasse 9 4600 Olten, Switzerland	Ordinary	100%	100%

* indicates direct investment of the company the company

The investment in Guidant Global Switzerland AG is held at a carrying value of £nil (31 December 2021: £nil).

15 Trade and other receivables

	30 December 2022 £ 000	31 December 2021 £ 000
Trade receivables	14,022	11,185
Receivables from related parties	30,356	25,196
Accrued income	1,664	3,958
Prepayments	86	81
Other receivables	3	-
	46,131	40,420
Less non-current portion	(29,964)	(23,608)
	16,167	16,812

Receivables from related parties are interest free, unsecured and repayable on demand and are net of a provision of £51,000 (31 December 2021: £51,000).

Details of non-current trade and other receivables
£29,964,000 (31 December 2021: £23,608,000) of amounts owed by group undertakings is classified as non current. Amounts owed by group undertakings due in more than one year represent the amounts the company do not expect to be realised in the coming twelve months.

16 Cash at bank and in hand

	30 December 2022 £ 000	31 December 2021 £ 000
Cash at bank	1,552	1,731

17 Trade and other payables

	30 December 2022 £ 000	31 December 2021 £ 000
Trade payables	3,383	1,800
Accrued expenses	3,235	3,132
Amounts due to related parties	27,085	6,211
Social security and other taxes	3,581	4,910
Outstanding defined contribution pension costs	88	69
Other payables	838	1,414
Income tax liability	-	345
Current portion of long term lease liabilities	121	36
	38,331	17,917

Payables to related parties are interest free, unsecured and repayable on demand. Social security and other taxes include £nil of taxes deferred under government schemes (31 December 2021: £179,000).

18 Leases

During the period the company accounted for 4 leased properties under IFRS 16 (31 December 2021: 6). Some leases have provisions for early termination (see lease end dates judgments in note 3). The company also leased 0 vehicles, all which have a fixed lease fee over the term (31 December 2021: 2). The weighted average Incremental Borrowing Rate used to calculate the lease liability was 3.29% (31 December 2021: 3.18%).

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

Leases included in creditors

	30 December 2022 £ 000	31 December 2021 £ 000
Current portion of long term lease liabilities	121	36
Long term lease liabilities	248	150

Included within lease liabilities are £369,000 due to related parties (31 December 2021: £186,000).

18 Leases (continued)

Lease liabilities maturity analysis

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

	30 December 2022 £ 000	31 December 2021 £ 000
Less than one year	130	41
2 years	121	24
3 years	49	24
4 years	24	24
5 years	24	24
6 years	24	24
7 years	19	24
8 years	-	20
Total lease liabilities (undiscounted)	391	205

Within the payments listed above is £22,000 (31 December 2021: £19,000) which will be recognised as interest on the lease liability.

Total cash outflows related to leases

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

Payment	30 December 2022 £ 000	31 December 2021 £ 000
Right of use assets	103	206
Interest	10	11
Low value leases	3	11
Total cash outflow	116	228

19 Other provisions

	Other provisions £ 000	Total £ 000
At 1 January 2022	118	118
Increase in existing provisions	43	43
Provisions used	(87)	(87)
Increase due to unwinding of discount	2	2
At 30 December 2022	76	76
Non-current liabilities	76	76

Other provisions relate to property provisions for the full expected cost of dilapidations and have been discounted to a present value using the relevant lease interest rate. These are mainly due within 1 year, but provisions with a carrying value of £13,000 are expected to be paid in 2030.

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £182,000 (31 December 2021 - £149,000).

Contributions totalling £88,000 (31 December 2021 - £69,000) were payable to the scheme at the end of the period and are included in creditors.

21 Share capital

Allotted, called up and fully paid shares

	30 December 2022 No.	£	31 December 2021 No.	£
Ordinary of £1 each	100	100	100	100

Rights, preferences and restrictions

All shares rank pari passu for dividend rights and provide the holder with one vote.

22 Reserves

Share Capital

Nominal value of share capital subscribed for.

Share Premium

The excess of the amount paid over the nominal value of share capital subscribed for.

Profit and loss account

All other net gains and losses and transactions with owners not recognised elsewhere.

23 Dividends

Interim dividends paid

	30 December 2022 £ 000	31 December 2021 £ 000
Interim dividend of £200,000 (2021 - £Nil) per each Ordinary share	20,000	-

24 Contingent liabilities

The company has given cross guarantees as part of the Group's revolving credit facility of which the company is a member; the aggregate amount outstanding against this facility at 30 December 2022 was £77,841,000 (31 December 2021: £101,965,000).

25 Related party transactions

The company has taken advantage of the exemptions in FRS 101 Section 8 from disclosing transactions with other wholly owned members of the Group and key management compensation. There are no other related party transactions which are required to be disclosed.

26 Parent and ultimate parent undertaking

The company's immediate parent is Impellam UK Limited, a company incorporated in England and Wales.

The ultimate parent is Impellam Group Plc, a company incorporated in England and Wales.

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

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

The name of the parent of the group in whose consolidated financial statements the company's financial statements are consolidated is Impellam Group Plc, which is also the smallest and largest undertaking for which Group accounts including the Company are prepared.

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