



## **RGF Staffing UK Limited**

(formerly known as Advantage Resourcing UK Limited)

### **Report and Financial Statements**

For the year to 31 December 2022

Registered No. 3341461



**RGF Staffing UK Limited** (formerly known as Advantage Resourcing UK Limited)

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**Directors**

T Dejonghe (appointed 1/06/2022)  
L McLean (appointed 1/10/2022)  
R Zandbergen (appointed 1/10/2022)  
H Oey (appointed 1/01/2023)  
M Yeates (appointed 12/06/2023)

**Secretary**

Cargil Management Services Limited  
27/28 Eastcastle Street  
London  
W1W 8DH

**Auditors**

Ernst & Young LLP  
2 St Peters Square  
Manchester  
M2 3EY

**Bankers**

Lloyds TSB  
25 Gresham Street  
London  
EC2V 7HN

**Solicitors**

Gowling WLG (UK) LLP  
Two Snowhill  
Birmingham  
B4 6WR

**Registered Office**

27/28 Eastcastle Street  
London  
W1W 8DH

## RGF Staffing UK Limited

Registered No. 3341461

### Strategic Report

The directors present their strategic report for the year ended 31 December 2022.

#### Principal activities and review of the business

The RGF Staffing UK Group is a wholly owned subsidiary of RGF Staffing B.V., a company incorporated in the Netherlands. The principal activity of the group, involving the trading companies RGF Staffing UK Limited and Advantage XPO Limited, is that of recruiting personnel and the subsequent provision of contractors and permanent staff. This also includes the provision of staff through managed service programmes and requires the supply and service of contract labour sourced from other service providers as well as contractors sourced direct. There have not been any significant changes in the group's principal activities in the period under review. However, in March 2022 Advantage XPO Ltd announced the phasing out of MSP and RPO solutions with a target to exit all such contracts by the end of 2023 and focusing only on recruitment sourcing and payroll services. At year end, all of these contracts had either been terminated or transferred to RGF leaving only customers with payroll service contracts.

#### Key performance indicators

The group's key financial and other performance indicators during the year were as follows:

	2022	2021	% Change
	£000	£000	
Turnover	95,877	121,829	(21.3)
Gross profit	8,249	6,879	19.9
Gross profit %	8.6%	5.6%	52.4
Operating (loss) / profit	(5,545)	(3,924)	41.3
Average number of employees	108	133	(18.8)

The overall turnover of the group has decreased by 21.3% during the year. Primarily this reflects the impact of the business reorganisation affecting XPO Ltd, as well as some residual effect of COVID-19. All of the reduction arose from XPO as RGF UK recorded a turnover increase of 5%.

Gross profit increased by 19.9% despite the drop in revenue with margins improving also from 5.6% to 8.6% year on year. The strong performance is evidence that the reorganisation project is already beginning to yield dividends.

Operating loss worsened by 41.3% year on year to £5.5m. Included in this number however is an exceptional item being a £2.7m provision for redundancies and penalties resulting from the business organisation affecting XPO. On an underlying basis therefore, the operating loss for the year improved by 28.2% to £2.8m.

There were no changes to the Group's accounting policies during the year.

The average number of employees in the Group decreased by 18.8% in the year due to the exit of MSP and RPO contracts.

#### Principal risks and uncertainties

The principal risks and uncertainties facing the group are broadly grouped as – competitive, legislative and financial risk.

#### Competitive risks

The recruitment market remains highly competitive and fragmented with ongoing pressure on margins as well as the use of technology.

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**Legislative risks**

IR35 changes in the private sector went live in April 2021 and this has had some impact on GP in the two financial years since then. To proactively navigate this risk, the group will continue to maintain close association and interaction with industry trade bodies such as the Association of Professional Staffing Companies (APSCo).

**Financial risk management objectives and policies**

The group's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk. These risks are managed by the groups policies approved by the board of directors, which provide written principles on the management of these risks. The group does not use derivative financial instruments.

**Cash flow risk**

The group's activities expose it primarily to the financial risk of changes in foreign currency, mainly Euro and US Dollar. The group maintains currency bank accounts in addition to Sterling accounts which provide a natural hedge against trading currency fluctuations, thus reducing the risk to a balance sheet revaluation risk.

**Credit risk**

The group's principal financial assets are bank balances and cash, trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the Statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are primarily high profile, large net worth multi-national and government organisations with high credit ratings assigned by international credit-ratings agencies. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

**Liquidity risk**

The group has considerable financial resources together with long term contracts with a number of customers and suppliers across different industries. In addition the group has access to a facility agreement with Recruit Holdings Co., Ltd as part of a global treasury arrangement which is renewable annually, if required. The directors believe that the group is well placed to manage its liquidity risk successfully.

**COVID-19 risk**

The last COVID-19 restrictions in the U.K. were lifted in March 2022 thereby allowing businesses to fully open up their offices for on-site work attendance. Nonetheless, the effects of the restrictions persisted as hybrid and fully remote working gained traction amongst employers and workers alike. The long-term impact of this trend on the industry is yet to be fully assessed but the Directors are of the opinion that the group is well positioned to adapt its operations to suit the emerging normal, as the Board continues to monitor the evolution of the demand for workforce in the UK very closely.

On behalf of the board

L McLean

Director

Date:

DocuSigned by:



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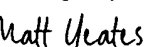
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M Yeates

Director

Date:

DocuSigned by:



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## RGF Staffing UK Limited

Registered No. 3341461

### Directors' Report

The Directors present their report for the year ended 31 December 2022.

#### Directors

The current directors are shown on page 1.

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

C Fisher (resigned 1/10/2022)

J Janssens (resigned 1/10/2022)

T Nishimura (resigned 1/06/2022)

J Onimaru (resigned 1/01/2023)

H Parkar (appointed 1/10/2022, resigned 24/02/2023)

#### Dividends

The directors do not recommend a final dividend for the year ended 31 December 2022 (2021: Nil).

#### Future developments

"In the first half of 2023, the UK economy has demonstrated a greater resilience than initially expected and is set to steer clear of a recession." This was the assessment by the Confederation of British Industry (CBI) in its recent economic forecast released in June. They further forecasted a 0.4% growth in GDP over 2023, picking up to 1.8% in 2024, upgraded from their previous forecast of -0.4% and 1.6% respectively. Based on this assessment and general market outlook, the directors are confident that the UK recruitment market will continue to improve over the next 12 months. Nevertheless, management will continue to pursue its strategy of refocusing its efforts on the recruitment sourcing and payroll services segment of the market. This also involves growing the business through providing an excellent service delivery to clients in specific industries and in need of specific skill sets, while focused on high standard compliance. To further drive efficiency, this may necessitate the reorganisation of the RGF UK group in order to secure better synergy.

#### Stakeholder engagement

The Board of directors, having regard to their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. The Company's senior leadership team considers the view of its stakeholders through regular reporting and uses this information to access the impact of decisions on each stakeholder group. The Company's actions taken to achieve its strategy are mindful of the impact on their key stakeholders such as employees, candidates, clients, suppliers and regulators.

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings as well as company-wide Business communications. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

The Company also engages with candidates, clients and suppliers to strive to deliver a best in class service. For example, we update this group of stakeholders through regular communications on various topics such as right to work changes for EU nationals or the changes of IR35 in the private sector. Towards regulators, the Company operates a strict policy and governance environment to maintain compliance with all relevant authorities and to maintain an open, professional and transparent relationship with regular dialogue.

#### Charitable donations

During the period the group made local charitable donations of £0 (2021 – £250).

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*Directors' report (continued)***Energy and carbon consumption**

		<b>2021/22 Emissions</b>	
<b>Scope</b>	<b>Activity</b>	<b>Actual tCO<sub>2</sub>e</b>	<b>Estimation of emissions for a pre Covid Year tCO<sub>2</sub>e</b>
Scope 2	Electricity generation	13.97	13.97
<b>Scope 2 Sub Total</b>		<b>13.97</b>	<b>13.97</b>
Scope 3	Home-workers	58.37	58.37
	Rail travel	4.50	6.66
	Flights	4.59	6.59
	Well To Tank	2.65	5.32
	Employee-owned car travel (grey fleet)	2.12	2.12
	Electricity transmission & distribution	1.20	1.20
	Taxi travel	0.18	0.18
<b>Scope 3 Sub Total</b>		<b>73.61</b>	<b>80.45</b>
<b>Total tonnes of CO<sub>2</sub>e</b>		<b>87.58</b>	<b>94.43</b>
Tonnes of CO <sub>2</sub> e per employee (intensity metric)		0.81	0.90

The company has taken certain measures to reduce energy and carbon consumption. In February 2022 we planted 100 trees through our partner Carbon Footprint Ltd to offset the carbon emissions produced in the 2021/22 financial year. We were granted Carbon Neutral Certification. We continue to maintain a partnership with Carbon Footprint and explore the use of carbon offsetting alongside our other carbon reduction initiatives.

We have also:

- Communicated our environmental policy and targets to the organisation
- Formalised our hybrid working approach, supporting homeworking and reducing the amount of carbon generated via employee commuting (figures are not available for pre Covid years but 100% of employees commuted 5 days a week pre-2020)
- Agreed a hybrid approach to many senior management team and board meetings
- Begun a process of consolidation in our office locations seeking to reduce the space used
- Advocated for the use of green energy suppliers in buildings where we are a tenant
- Implemented a cycle to work scheme

In the future we hope to implement further measures such as:

- Identifying compliance gaps with the ISO 14001 standard and working towards ISO 14001 certification
- Provision of electric vehicle charging points at our offices or where these are controlled by landlord encouraging them to provide
- Incentives for employees to utilise renewable energy providers / sources
- Incentives for employees who use electric vehicles

**Methodology**

The carbon footprint data is derived from a combination of our own data collection and data computation by our specialist advisor. The carbon footprint is calculated using the 2020 conversion factors developed by the UK Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). These factors are multiplied with the company's GHG activity data. Well-to-Tank (WTT) emissions factors (DEFRA 2020) have also been used to calculate the upstream emissions for fuels and energy. The emissions factors include an average of all GHG emissions released in the production, processing and delivery of fuels or energy.

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**RGF Staffing UK Limited**

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**Registered No. 3341461*****Directors' report (continued)*****Employees**

Details of the number of UK operational contracted employees and related costs can be found in Note 5 to the financial statements.

**Disabled employees**

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

Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

**Going Concern**

The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposure to legislative, liquidity and cash flow risks are described in the Strategic Report on pages 2 to 3.

The group has considerable financial resources together with long term contracts with customers and suppliers across different geographic areas and industries along with a positive economic outlook. As a result, the directors believe that the company and the group are well placed to manage their business risks successfully.

As of 31 December 2022, the Group had net assets of £21.2m (2021: £26.7m) and net current assets of £19.6m (2021: £24.7m). In preparing the financial statements on a going concern basis, the directors have considered the Group's ability to meet its liabilities as they fall due over the next 12 months. The directors have reviewed the forecast for the period of 12 months for the Group and performed extensive sensitivity analysis in its assessment of going concern, taking into account several factors including the new group structure and business reorganisation, potential gains from improving economic climate, the ongoing conflict in Russia and Ukraine, government's response to the cost-of-living crisis. The impact of COVID-19 on the business is covered in the Strategic Report on page 3.

After making appropriate enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future to 31 December 2024. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

**Disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

**Post balance sheet event**

On the 12 May 2023, it came to light that the company had suffered a cyberattack on its IT infrastructure which disrupted its operations. It was discovered that a number of servers had been encrypted with ransomware and that a ransom note had been left on a number of servers. With the help of IT forensics experts, the company was able to contain the situation and at the same time notified appropriate agencies including the Information Commissioner's Office (ICO), of the incident.

Following their investigations, the ICO issued a letter dated 02 June 2023, notifying the company that "After careful consideration based on the information that has been provided, we have decided not to take any formal regulatory action on this occasion".

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### *Directors' report (continued)*

The company has since secured recovered total control of its systems and have returned operations to "business as usual". As at the time of signing these financial statements, there have been no reported data leaks as far as the Directors are aware.

On behalf of the board

L McLean

Director

Date:

DocuSigned by:

*Lisa McLean*

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M Yeates

Director

Date:

DocuSigned by:

*Matt Yeates*

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## RGF Staffing UK Limited

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Registered No. 3341461

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have 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 and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 RGF Staffing UK Limited

## Opinion

We have audited the financial statements of RGF Staffing UK Group ("the parent Company) and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group Income statement, the group and parent company Statement of Financial Position, the group and parent company Statement of comprehensive income, the group and parent company Statement of changes in equity and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

## Basis for opinion

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

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

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 up to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 directors' responsibilities statement set out on page 8, 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.

***Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are related to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how RGF Staffing UK Limited is complying with those frameworks by making enquiries of the management to understand how the Company maintains and communicates its policies and procedures in these

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areas and corroborated this by reviewing supporting documentation and minutes of meetings of those charged with governance. We also reviewed correspondence with relevant authorities.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and assuming revenue to be a fraud risk. We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. We tested specific transactions back to source documentation ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals, and journals indicating large or unusual transactions based on our understanding of the business and enquiries of management. We also read correspondence with regulators and assessed reports from management's specialists with support from our own internal specialists. In addition, we completed procedures to conclude on the compliance of the disclosures in financial statements with the requirements of the relevant accounting standards and UK legislation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

*Ernst & Young LLP*

Jamie Dixon (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Manchester, United Kingdom

Date: 29 September 2023

## RGF Staffing UK Limited

### Group Income Statement

for the year ended 31 December 2022

		<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Turnover</b>	2	95,877,189	121,828,563
Cost of sales		<u>(87,628,383)</u>	<u>(114,949,262)</u>
<b>Gross profit</b>		8,248,806	6,879,301
Administrative expenses		<u>(13,794,127)</u>	<u>(10,802,987)</u>
<b>Group operating (loss)</b>	3	<u>(5,545,321)</u>	<u>(3,923,686)</u>
 <b>(Loss) / Profit on ordinary activities interest and taxation</b>		 (5,545,321)	 (3,923,686)
Interest Receivable	6	<u>125,798</u>	<u>5,091</u>
<b>(Loss) on ordinary activities before taxation</b>		<u>(5,419,523)</u>	<u>(3,918,595)</u>
 Tax charge	7	 -	 -
<b>(Loss) for the financial year</b>		<u>(5,419,523)</u>	<u>(3,918,595)</u>
 <b>(Loss) for the financial year attributable to:</b>		 <u></u>	 <u></u>
Owners of the parent company		<u>(5,419,523)</u>	<u>(3,918,595)</u>

### Profit attributable to the company

The company has taken advantage of the legal dispensation of the Companies Act 2006 Section 408, allowing it not to publish a separate income statement. The company's loss for the year ended 31 December 2022 was £4,204,672 (year ended 31 December 2021 was £2,785,236).

## RGF Staffing UK Limited

### Group statement of comprehensive income

for the year ended 31 December 2022

	2022 £	2021 £
(Loss) / Profit for the financial year	(5,419,523)	(3,918,595)
Total other comprehensive income	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b>(5,419,523)</b>	<b>(3,918,595)</b>

### Company statement of comprehensive income

for the year ended 31 December 2022

	2022 £	2021 £
(Loss) / Profit for the financial year	(4,204,672)	(2,785,236)
Total other comprehensive income	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b>(4,204,672)</b>	<b>(2,785,236)</b>

## RGF Staffing UK Limited

### Group Statement of Change in Equity

for the year ended 31 December 2022

	Issued Capital	Share Premium	Retained Earnings	Total Equity
At 1 January 2022	£11,172,886	£6,429,262	£9,055,855	£26,658,003
Total comprehensive loss for the year	-	-	(£5,419,523)	(£5,419,523)
At 31 December 2022	<u>£11,172,886</u>	<u>£6,429,262</u>	<u>£3,636,332</u>	<u>£21,238,480</u>

### Group Statement of Change in Equity

for the year ended 31 December 2021

	Issued Capital	Share Premium	Retained Earnings	Total Equity
At 1 January 2021	£11,172,886	£6,429,262	£12,974,450	£30,576,598
Total comprehensive loss for the year	-	-	(£3,918,595)	(£3,918,595)
At 31 December 2021	<u>£11,172,886</u>	<u>£6,429,262</u>	<u>£9,055,855</u>	<u>£26,658,003</u>

## RGF Staffing UK Limited

### Company Statement of Change in Equity

for the year ended 31 December 2022

	Issued Capital	Share Premium	Retained Earnings	Total Equity
At 1 January 2022	£11,172,886	£6,429,262	£158,964	£17,761,112
Total comprehensive loss for the year	-	-	(£4,204,672)	(£4,204,672)
At 31 December 2022	<u>£11,172,886</u>	<u>£6,429,262</u>	<u>(£4,045,708)</u>	<u>£13,556,440</u>

### Company Statement of Change in Equity

for the year ended 31 December 2021

	Issued Capital	Share Premium	Retained Earnings	Total Equity
At 1 January 2021	£11,172,886	£6,429,262	£2,944,201	£20,546,349
Total comprehensive loss for the year	-	-	(£2,785,237)	(£2,785,237)
At 31 December 2021	<u>£11,172,886</u>	<u>£6,429,262</u>	<u>£158,964</u>	<u>£17,761,112</u>



## RGF Staffing UK Limited

**Group statement of financial position**

As of 31 December 2022

		31 December 2022	31 December 2021
	Notes	£	£
<b>Fixed assets</b>			
Intangible assets	8	1,526,220	1,797,872
Tangible assets	9	134,046	246,410
		<u>1,660,266</u>	<u>2,044,282</u>
<b>Current assets</b>			
Debtors:			
Amounts falling due within one year	11	18,261,432	35,016,746
Cash at bank and in hand	12	9,789,433	18,206,305
		<u>28,050,865</u>	<u>53,223,051</u>
<b>Creditors:</b> amounts falling due within one year	13	<u>(8,439,471)</u>	<u>(28,566,810)</u>
<b>Net current Assets</b>		<b>19,611,394</b>	<b>24,656,241</b>
<b>Total assets less current liabilities</b>		<b>21,271,660</b>	<b>26,700,524</b>
Provisions for liabilities	15	(33,180)	(42,521)
<b>Net Assets</b>		<u><b>21,238,480</b></u>	<u><b>26,658,003</b></u>
<b>Capital and reserves</b>			
Called up share capital	16	11,172,886	11,172,886
Retained Earnings	17	3,636,332	9,055,855
Share premium Account		6,429,262	6,429,262
<b>Equity attributable to owners of the parent company</b>	18	<u><b>21,238,480</b></u>	<u><b>26,658,003</b></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

L McLean  
Director  
Date: 29/9/2023 | 12:04 BST

DocuSigned by:  
*Lisa McLean*  
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M Yeates  
Director  
Date: 29/9/2023 | 11:58 BST

DocuSigned by:  
*Matt Yeates*  
5B7E9842052C496...

## RGF Staffing UK Limited

## Company statement of financial position

As of 31 December 2022

	Notes	31 December 2022 £	31 December 2021 £
<b>Fixed assets</b>			
Intangible assets	8	100,672	122,087
Tangible assets	9	134,046	246,410
Investments	10	11,795,343	11,795,343
		<u>12,030,061</u>	<u>12,163,840</u>
<b>Current assets</b>			
Debtors:			
Amounts falling due within one year	11	26,592,255	23,865,496
Cash at bank and in hand	12	<u>8,731,804</u>	<u>14,016,086</u>
		35,324,059	37,881,582
<b>Creditors:</b> amounts falling due within one year	13	<u>(33,764,500)</u>	<u>(32,241,790)</u>
<b>Net current Assets</b>		1,559,559	5,639,792
<b>Total assets less current liabilities</b>		13,589,620	17,803,633
Provisions for liabilities	15	(33,180)	(42,521)
<b>Net Assets</b>		<u>13,556,440</u>	<u>17,761,112</u>
<b>Capital and reserves</b>			
Called up share capital	16	11,172,886	11,172,886
Retained Earnings	17	(4,045,708)	158,964
Share premium Account		6,429,262	6,429,262
<b>Equity attributable to owners of the parent company</b>	18	<u>13,556,440</u>	<u>17,761,112</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

L McLean  
Director  
Date:

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29/9/2023 | 12:04 BST

M Yeates  
Director  
Date:

DocuSigned by:  
*Matt Yeates*  
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29/9/2023 | 11:58 BST

## RGF Staffing UK Limited

### Notes to the financial statements

at 31 December 2022

#### 1. Accounting policies

##### *Statement of compliance*

RGF Staffing UK Limited is a UK incorporated private company whose liability is limited by way of its shares. The registered office is 27/28 Eastcastle Street, London, W1W 8DH.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom, and with the Companies Act 2006.

##### *Basis of preparation*

The financial statements have been prepared on a going concern basis and in accordance with applicable accounting standards. The financial statements are prepared in Sterling which is the functional currency of the Group and the company.

The group accounts consolidate the financial statements of RGF Staffing UK Limited (the company) and all its subsidiary undertakings drawn up to 31 December each year. The Group statement of income, Group statement of financial position include the financial statements of the company and its subsidiary undertakings made up to the period end. The results of subsidiaries acquired are included in the group income statement from the date control passes. No individual income statement is presented for RGF Staffing UK Limited as permitted by section 408 of the Companies Act 2006.

##### *Goodwill and Intangible Assets*

Intangible assets acquired separately from a business acquisition are stated at cost less accumulated amortisation. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

The useful economic lives of intangible assets are:

Computer software	3 years
-------------------	---------

##### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Fixtures, fittings and equipment	5 years
Computers	3 years
Leasehold improvements	Shorter of 5 years and lease term

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

##### *Goodwill*

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight-line basis over its useful life.

Goodwill acquired in a business combination is capitalised, from the acquisition date and is allocated to each cash generating unit that is expected to benefit from the synergies of the combination.

Goodwill is amortised over its useful life which is considered to be a period of 5-10 years with one exception which was originally being amortised over a period of 20 years.

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## RGF Staffing UK Limited

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### *Accounting policies (continued)*

#### *Investments*

Fixed asset investments are stated at cost less any provision for impairment. The carrying value of fixed asset investments is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. Provision is made for any impairment.

#### *Revenue recognition*

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue excludes value added tax and discounts and constitutes the value of services undertaken by the company from its principal activities. The following criteria must also be met:

- i. revenue from temporary placements, which represents amounts billed for the services of temporary staff including the salary cost of these staff is recognised when the service has been provided;
- ii. revenue from permanent placements is based on a percentage of the candidate's remuneration package and is recognised when the candidate commences work.

#### *Debtors*

Debtors are stated at their net realisable value after allowing for bad and doubtful debts. The recoverability of debtors is reviewed on a biannual basis in March and in December and provision is made, either general or specific, based on value, age and composition of period-end debtor balance.

#### *Creditors*

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year, if not they are presented as non-current liabilities.

#### *Provision for liabilities*

A provision is recognised when a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### *Pensions*

The company and group operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the group and company. The pension costs are accounted for in the period in which they are incurred.

#### *Operating leases*

Rentals payable in respect of operating leases are charged on a straight-line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the next rent review.

#### *Translation of foreign currency transactions*

##### *Company*

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the year end. All differences are taken to the Income Statement.

## RGF Staffing UK Limited

### *Accounting policies (continued)*

#### *Group*

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The assets and liabilities of overseas subsidiary undertakings are translated into the presentation currency at the rate of exchange ruling at year end date. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the year-end date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with following exceptions:

- i. Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the year-end date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the year-end date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- ii. Extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- iii. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the year-end date.

#### *Foreign currencies*

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the year-end date. All differences are taken to the income statement.

#### *Critical accounting estimates and judgements*

The company makes estimates and assumption regarding the future. Estimates and judgements are continually evaluated based on historic 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 estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are:

- i. Carrying value of investments – Determining company investment have been impaired requires that such assessment is carried out on a total UK Group basis as there is a constant transfer of services and activities between all the subsidiaries within the group.
- ii. Useful lives of intangible and fixed assets – Assets are amortised and depreciated over their useful lives. Useful lives are based on directors' estimates of the period that the assets will generate revenue.
- iii. Recoverability of deferred tax – Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profits will be available against which the difference can be utilised. Significant management judgement is required to determine the amount that can be recognised, based on likely timing and the level of future taxable profits.
- iv. Bad debt provision – Determining company bad debt provisions has been based on current customer credit worthiness as well as sales invoice queries outstanding, and likelihood of resolution. These invoice queries are based on directors' experience and assumptions.
- v. Dilapidations and long-term liability provision – Reinstatement cost and long-term provisions are based on current best information available to directors and current expectations of requirements and costs.

## RGF Staffing UK Limited

### 2. Turnover

Turnover is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report.

An analysis of turnover by geographical market is given below:

	<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
	<i>£</i>	<i>£</i>
UK	91,818,528	118,236,237
Europe	3,362,397	2,617,257
North America	165,685	76,778
ROW	<u>530,579</u>	<u>898,291</u>
	<u>95,877,189</u>	<u>121,828,563</u>

### 3. Operating (loss) / profit

This is stated after charging

	<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
	<i>£</i>	<i>£</i>
Depreciation of owned assets (note 9)	127,179	127,348
Amortisation of intangible assets (note 8)	74,147	88,716
Amortisation of goodwill (note 8)	<u>249,687</u>	<u>249,687</u>
Auditor's remuneration:		
Audit of the group's financial statements	101,420	57,300
Audit of the group's subsidiaries pursuant to legislation	44,000	95,000
Total auditor's remuneration:	<u>145,420</u>	<u>152,300</u>
Taxation services	27,173	21,242
Operating lease costs:		
Buildings	481,540	395,311
Gain/(Loss) on foreign exchange	32,360	(8,779)

## RGF Staffing UK Limited

### 4. Directors' remuneration

The directors of RGF Staffing UK Limited are also the directors of Advantage XPO Ltd and together they manage the business of the RGF Staffing Group as a team. Payments to directors for these services are borne by the company. The directors have been unable to apportion their director's emoluments to the qualifying services for this company. The total director's remuneration for the Group is shown below.

	<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
	<i>£</i>	<i>£</i>
Aggregate remuneration in respect of qualifying services	392,327	329,700
Aggregate pension amounts received	11,650	14,233
Number of directors accruing benefits under defined contribution schemes	4	2

The highest paid director's remuneration for the period was £159,500 (year ended 31 December 2021 £191,611).

### 5. Staff costs

	<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
	<i>£</i>	<i>£</i>
Wages and salaries	6,251,365	5,918,747
Social security costs	583,018	655,128
Other pension costs	145,516	229,024
	<u>6,979,899</u>	<u>6,802,899</u>

The average monthly number of employees during the year was made up as follows:

	<i>No.</i>	<i>No.</i>
Sales	39	84
Administration	69	49
	<u>108</u>	<u>133</u>

### 6. Interest Receivable

	<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
	<i>£</i>	<i>£</i>
Interest Receivable	125,798	5,091
	<u>125,798</u>	<u>5,091</u>

## RGF Staffing UK Limited

### 7. Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
	<i>£</i>	<i>£</i>
<b>Current tax:</b>		
UK corporation tax on the profit for the period	-	-
Total current tax/(credit)	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax per income statement	-	-

#### (b) Factors affecting tax charge for the year

The charge for the year can be reconciled to the (loss) / profit per the income statement as follows:

	<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
	<i>£</i>	<i>£</i>
(Loss) for the period – continuing activities	(5,419,523)	(3,613,799)
Tax on (loss) at standard UK rate of 19.00% (2021:19.00%)	(982,269)	(686,622)
Effect of:		
Expenses not deductible for tax purposes	1,468	75,077
Fixed Asset differences	985	7,753
Adjustment to deferred tax of prior periods	(309,433)	(485,095)
Movement in deferred tax not recognized	1,289,232	1,088,888
Adjustments in respect of previous periods	-	(23,316)
Other	16	23,317
Tax charge for the period (note 7(a))	-	-



## RGF Staffing UK Limited

### *Tax (continued)*

#### **Deferred tax asset recognised:**

##### (c) Deferred tax

Asset at start of year	-	-
Adjustment in respect of prior years	-	-
Deferred tax charge in income statement for the year	-	-
Asset at period end	-	-

#### **Deferred tax asset comprises:**

Fixed asset timing differences	-	-
Short term temporarily deferred – trading	-	-
Losses and other deductions	-	-
	-	-

#### **Deferred tax (assets)**

Recoverable within 12 months	-	-
Recoverable after 12 months	-	-
	-	-

### *Factors affecting future tax charges*

The UK Budget on 3 March 2021 included an announcement that the corporation tax rate will increase to 25% from 1 April 2023 for certain companies and was substantively enacted on 24 May 2021. Although the current rate of 19% will remain in force, this is now only applicable to small entities with profits up to £50,000. The new tax rate will therefore increase the company's future current tax charge accordingly.

Under IAS 12, deferred tax is required to be calculated using rates that have been substantively enacted at the balance sheet date. The unrecognised deferred tax asset as at 31 December 2022 has therefore been calculated at 25% (31 December 2021: 19%).

There are capital losses of £569,974 carried forward as at 31 December 2022 (31 December 2021: £569,974 on which the group is not recognising a deferred tax asset. These losses have no expiry date.

## RGF Staffing UK Limited

### 8. Intangible fixed assets

#### *Goodwill*

	<i>Group</i> £	<i>Company</i> £
Cost:		
At 1 January 2022	9,318,451	481,142
At 31 December 2022	9,318,451	481,142
Amortisation:		
At 1 January 2022	7,643,683	481,142
Charge for the year	249,687	-
At 31 December 2022	7,893,370	481,142
Net book value:		
At 31 December 2022	1,425,081	-
At 31 December 2021	1,674,768	-

#### *Computer software*

	<i>Group</i> £	<i>Company</i> £
Cost:		
At 1 January 2022	920,632	650,898
Additions	52,182	52,182
At 31 December 2022	972,814	703,080
At 1 January 2022	797,528	528,811
Charge for the year	74,147	73,597
At 31 December 2022	871,675	602,408
Net book value:		
At 31 December 2022	101,139	100,672
At 31 December 2021	123,104	122,087

## RGF Staffing UK Limited

### 9. Tangible fixed assets

<i>Group</i>	<i>Fixtures, fittings and equipment</i> £	<i>Computers</i> £	<i>Leasehold improvement</i> £	<i>Total</i> £
Cost:				
At 1 January 2022	<u>202,534</u>	<u>838,181</u>	<u>486,888</u>	<u>1,527,603</u>
Additions	-	14,814	-	14,814
Disposals	-	-	-	-
At 31 December 2022	<u>202,534</u>	<u>852,995</u>	<u>486,888</u>	<u>1,542,417</u>
Depreciation:				
At 1 January 2022	<u>199,131</u>	<u>716,740</u>	<u>365,321</u>	<u>1,281,193</u>
Charge for the year	1,657	67,074	58,447	127,178
Disposals	-	-	-	-
At 31 December 2022	<u>200,788</u>	<u>783,814</u>	<u>423,769</u>	<u>1,408,371</u>
Net book value:				
At 31 December 2022	<u>1,746</u>	<u>69,181</u>	<u>63,119</u>	<u>134,046</u>
At 31 December 2021	<u>3,403</u>	<u>121,441</u>	<u>121,566</u>	<u>246,410</u>

<i>Company</i>	<i>Fixtures, fittings and equipment</i> £	<i>Computers</i> £	<i>Leasehold improvement</i> £	<i>Total</i> £
Cost:				
At 1 January 2022	<u>198,818</u>	<u>727,138</u>	<u>486,888</u>	<u>1,412,844</u>
Additions	-	14,814	-	14,814
Disposals	-	-	-	-
At 31 December 2022	<u>198,818</u>	<u>741,952</u>	<u>486,888</u>	<u>1,427,658</u>
Depreciation:				
At 1 January 2022	<u>195,416</u>	<u>605,697</u>	<u>365,321</u>	<u>1,166,434</u>
Charge for the year	1,657	67,074	58,447	127,178
Disposals	-	-	-	-
At 31 December 2022	<u>197,072</u>	<u>672,771</u>	<u>423,768</u>	<u>1,293,612</u>
Net book value:				
At 31 December 2022	<u>1,746</u>	<u>69,180</u>	<u>63,120</u>	<u>134,046</u>
At 31 December 2021	<u>3,403</u>	<u>121,440</u>	<u>121,567</u>	<u>246,410</u>

## RGF Staffing UK Limited

### 10. Investments

	2022
<i>Company</i>	<i>£</i>
Cost:	
At 1 January 2022	11,876,929
At 31 December 2022	<u>11,876,929</u>
Provision for impairment:	
At 1 January 2022	81,586
At 31 December 2022	<u>81,586</u>
Net book value:	
At 31 December 2022	<u>11,795,343</u>

The subsidiary undertaking and their activities are set out below:

<i>Name of undertaking</i>	<i>Country of incorporation</i>	<i>Description of shares held</i>	<i>Proportion of nominal value of Ordinary shares held</i>	<i>Principal activity</i>
Advantage xPO Limited	UK	Ordinary	100%	Technical Recruitment
Technology Project Services Limited – 01807883 *	UK	Ordinary	100%	Technical Recruitment
TAC TPS Limited – 01162072 *	UK	Ordinary	100%	Technical Recruitment
Atlan Resource Solutions Ltd - 04186223 *	UK	Ordinary	100%	Technical Recruitment
ARI Ltd – 03754357 *	UK	Ordinary	100%	Technical Recruitment
Advantage Group Ltd – 04125214 *	UK	Ordinary	100%	Technical Recruitment
Strategi Group Limited – 04136586 *	UK	Ordinary	100%	Technical Recruitment
Advantage Professional UK Ltd – 03120712 *	UK	Ordinary	100%	Technical Recruitment
Advantage Professional Services UK Ltd – 03411833 *	UK	Ordinary	100%	Technical Recruitment
Advantage Resourcing Limited *	Hong Kong	Ordinary	100%	Technical Recruitment

\* These companies are Dormant or non-trading, therefore, have taken audit exemption under S479a of the Companies Act 2006

The registered address of these subsidiaries is 27/28 Eastcastle Street, London, W1W 8DH.

## RGF Staffing UK Limited

### 11. Debtors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	13,946,042	13,961,454	10,270,098	5,297,224
Amounts due from group companies	771,570	1,366,788	11,645,793	16,564,126
Corporation tax	6,153	8,885	-	-
Other Debtors (VAT)	1,989,694	-	3,719,366	616,271
Deferred tax asset (note 7c)	-	-	-	-
Prepayments and accrued income	1,547,962	19,679,619	956,998	1,387,875
	<u>18,261,431</u>	<u>35,016,746</u>	<u>26,592,255</u>	<u>23,865,496</u>

### 12. Cash at bank and in hand

At 31 December 2022, cash at bank for the Group amounts to £9.8m (Company: £8.7m), of which £3.3m is held with Lloyds TSB and £6.5m (2021: £ 12.0m) under a cash pooling arrangement owed by group undertakings. Standard terms for cash pool deposits from affiliates are overnight GBP Libor (base rate) minus 0.075% (with a minimum of 0.05%). Standard terms for cash pool advances to affiliates are overnight GBP Libor (base rate) plus 0.05% (with a minimum of 0.0%).

### 13. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	2,726,300	2,825,129	1,929,585	743,837
Amounts due to group companies	672,790	897,945	28,348,227	27,946,133
Corporation tax	-	-	4,837	2,144
Taxation and social security	562,576	2,529,521	191,727	957,684
Accruals and deferred income	4,477,805	22,314,216	3,290,124	2,592,022
	<u>8,439,471</u>	<u>28,566,810</u>	<u>33,764,500</u>	<u>32,241,790</u>

Outstanding amounts in respect of the defined contribution scheme payable at the year-end date were £47,553 (2021: £33,200).

### 14. Obligations under lease contracts

At 31 December 2022 the group had total future minimum lease payments due under non-cancellable operating leases as set out below:

<i>Group / Company</i>	2022	2021
	<i>Land and buildings</i>	<i>Land and buildings</i>
	£	£
Fall due in not more than one year	78,430	78,430
Falling due between one and five years, inclusive	6,536	84,966
Falling due in more than five years	-	-
Totals	<u>84,966</u>	<u>163,396</u>

## RGF Staffing UK Limited

### 15. Provision for liabilities

A provision has been recognised in respect of the expected cost of returning the buildings to their original condition at the end of the lease period.

	<i>Dilapidations</i>	<i>Onerous Lease</i>	<i>Total Provisions</i>
	£	£	£
Balance as at 1 January 2022	42,521	-	42,521
Utilisation	(9,341)	-	(9,341)
Balance as at 31 December 2022	33,180	-	33,180

### 16. Issued share capital

	<i>31 December</i>		<i>31 December</i>	
	2022		2021	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	11,172,886	<u>11,172,886</u>	11,172,886	<u>11,172,886</u>

### 17. Movements on reserves

<i>Group</i>	<i>£</i>
At 1 January 2022	9,055,855
Loss for the financial year	<u>(5,419,523)</u>
At 31 December 2022	<u>3,636,332</u>
 <i>Company</i>	 <i>£</i>
At 1 January 2022	158,964
Loss for the financial year	<u>(4,204,672)</u>
At 31 December 2022	<u>(4,045,708)</u>

## RGF Staffing UK Limited

### 18. Reconciliation of shareholders' funds and movements on reserves

<i>Group</i>	<i>31 December</i> <i>2022</i>	<i>31 December</i> <i>2021</i>
	<i>£</i>	<i>£</i>
Opening shareholders' funds	26,658,003	30,576,598
Issued Share Capital	-	-
Share Premium	-	-
(Loss)/Profit for the financial year	(5,419,523)	(3,918,595)
Closing shareholders' funds	<u>21,238,480</u>	<u>26,658,003</u>

<i>Company</i>	<i>31 December</i> <i>2022</i>	<i>31 December</i> <i>2021</i>
	<i>£</i>	<i>£</i>
Opening shareholders' funds	17,761,112	20,546,349
Issued Share Capital	-	-
(Loss)/Profit for the financial year	(4,204,672)	(2,785,237)
Closing shareholders' funds	<u>13,556,440</u>	<u>17,761,112</u>

### 19. Pensions

The pension cost charge and current employees belonging to the scheme are as follows:

	<i>Group</i>		<i>Company</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Pension charge	145,516	229,024	131,848	197,631
Current employees belonging to the scheme	<u>56</u>	<u>110</u>	<u>56</u>	<u>91</u>

## RGF Staffing UK Limited

### 20. Related party transactions

#### *Group*

During the year the group entered into transactions, in the ordinary course of business, with other related parties within the Recruit Holdings Co., Ltd group, which do not eliminate on consolidation in RGF Staffing UK Limited. Transactions entered into, and trading balances at 31 December, are as follows:

	Sales to related party	Purchases from related party	Amounts owed from related party	Amounts owed to related party
	£	£	£	£
2022	181,743	101,022	141,271	66,736
2021	257,293	87,007	246,900	-

#### *Terms and conditions of transactions with related parties*

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 60 days of invoice. The Group has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2022, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (2021: nil)

### 21. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of RGF Staffing B.V., a company incorporated in The Netherlands, which is the immediate parent undertaking and the part of the smallest group in which results of the company are consolidated.

The financial statements of RGF Staffing B.V. are publicly available from P.J. Oudweg 61, 1314 CK, Almere, Netherlands.

The company's ultimate parent undertaking and controlling party is Recruit Holdings Co., Ltd, a listed company who are registered in Japan. The registered address is GranTokyo South Tower 1-9-2 Marunouchi Chiyoda-ku, Tokyo Japan 100-6640.

### 22. Subsequent events

The company suffered a cyber-attack on its IT systems on the 12 May 2023. This was promptly reported to the ICO who subsequently issued a letter confirming that no regulation action would be taken following the result of its investigations. The company has since returned to normal business operations. Additional details have been provided in the Directors' Report.