

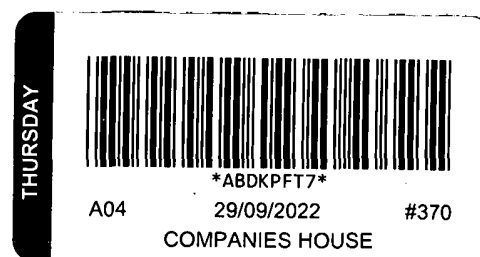
Envisage Recruitment Limited

Directors' Report and Financial Statements

Year Ended

31 December 2021

Company Number 04986931



Envisage Recruitment Limited

Company Information

Directors	T M Strafford H L Walker S K Clark
Company secretary	N P Howard
Registered number	04986931
Registered office	12 Herald Way Coventry CV3 2NY
Independent auditor	BDO LLP Statutory Auditor Two Snowhill Birmingham B4 6GA

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Envisage Recruitment Limited

Directors' Report For the Year Ended 31 December 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £192,000 (2020 - £174,000).

The net assets of the business at the year end were £267,000 (2020 - £459,000).

The Directors do not recommend the payment of a dividend (2020 - £Nil).

Directors

The Directors who served during the year and up to the date of signing this report were:

B W Campbell (resigned 11 February 2022)
T M Strafford
H L Walker (appointed 12 February 2021)
S K Clark (appointed 12 February 2021)

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

After making enquiries and preparing integrated profit and loss and cash flow forecasts for one year from the date the financial statements are signed, the Directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future and the financial statements have accordingly been prepared on a going concern basis.

The board of Directors has undertaken a recent thorough review of the Company budgets and forecasts and has produced detailed and realistic cash flow projections to 31 December 2023. Various scenarios have been run on these projections, including the modelling of worst case scenarios. The Company has an overdraft balance as at 27 July 2022 of £344,000 and an unused invoice discount facility of £7,000. The Company has performed in line with expectations and has a satisfactory order book for FY22 at the date of signing these financial statements.

The Company's ultimate parent company, Envisage Investments Limited, has also confirmed that it is willing to provide the Company with sufficient financial support and working capital to enable the Company to meet its ongoing liabilities, as they fall due.

This level of cash, facility and financial support from the ultimate parent company and its shareholders, is considered enough to meet the worst case stress test scenario after applying certain sensitivities. On this basis, the board of Directors considers the going concern basis of accounting to remain appropriate.

Envisage Recruitment Limited

Directors' Report (continued) For the Year Ended 31 December 2021

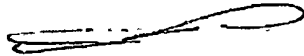
Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



T M Strafford
Director

Date: 26/09/22

Envisage Recruitment Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2021

The Directors are responsible for preparing 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 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Envisage Recruitment Limited

Independent Auditor's Report to the Members of Envisage Recruitment Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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.

We have audited the financial statements of Envisage Recruitment Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 remain 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 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 of at least twelve months from when the financial statements are authorised for issue.

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

Envisage Recruitment Limited

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and financial statements, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The Directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a Strategic Report.

Responsibilities of directors

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

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

Envisage Recruitment Limited

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

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:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with the Companies Act 2006, industry regulatory requirements and accounting standards.

We focussed on laws and regulations that could give rise to a material misstatement in the Financial Statements. Our testing included, but was not limited to:

- enquiries of management;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- reviewing journals posted to revenue to identify any outside of the normal course of business or indicative of a manipulation of the revenue figure reported; and
- identifying and testing a sample of journal entries, in particular journal entries posted with unusual account combinations.

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Envisage Recruitment Limited

Independent Auditor's Report to the Members of Envisage Recruitment 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:



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Paul Fenner (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK

Date: 27 September 2022

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

Envisage Recruitment Limited

Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £000	2020 £000
Turnover		5,720	11,486
Cost of sales		(4,792)	(11,013)
Gross profit		928	473
Administrative expenses		(1,540)	(1,006)
Other operating income		394	465
Operating loss		(218)	(68)
Exceptional administrative expenses	5	-	(46)
Operating loss		(218)	(114)
Interest payable and expenses		(70)	(60)
Loss before tax		(288)	(174)
Tax on loss		96	-
Loss for the financial year		(192)	(174)

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 11 to 21 form part of these financial statements.

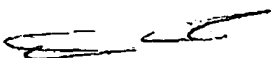
Envisage Recruitment Limited
Registered number: 04986931

Balance Sheet
As at 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets	6		636		765
Tangible assets	7		5		6
			<u>641</u>		<u>771</u>
Current assets					
Debtors: amounts falling due within one year	8	935		1,759	
		<u>935</u>		<u>1,759</u>	
Creditors: amounts falling due within one year	9	(1,309)		(2,071)	
		<u>(1,309)</u>		<u>(2,071)</u>	
Net current liabilities			(374)		(312)
Total assets less current liabilities			<u>267</u>		<u>459</u>
Net assets			<u>267</u>		<u>459</u>
Capital and reserves					
Called up share capital	11		51		51
Share premium account	12		19		19
Profit and loss account	12		197		389
			<u>267</u>		<u>459</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



T M Stafford
Director

Date: 25/09/22

The notes on pages 11 to 21 form part of these financial statements.

Envisage Recruitment Limited

Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	51	19	389	459
Comprehensive loss for the year				
Loss for the year	-	-	(192)	(192)
Total comprehensive loss for the year	-	-	(192)	(192)
At 31 December 2021	51	19	197	267

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	51	19	563	633
Comprehensive loss for the year				
Loss for the year	-	-	(174)	(174)
Total comprehensive loss for the year	-	-	(174)	(174)
At 31 December 2020	51	19	389	459

The notes on pages 11 to 21 form part of these financial statements.

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

Envisage Recruitment Limited is a private limited liability company incorporated in England and Wales and domiciled in England. The registered office is 12 Herald Way, Binley Industrial Estate, Coventry, CV3 2NY and the registered number is 04986931.

The principal activity of the Company continued to be that of the provision of skilled resource, most notably Engineers, to the major automotive OEM's, and other business sectors. In addition, the business places skilled resource in permanent positions.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The functional and presentation currency for the Company during the year was Sterling and the accounts are rounded to the nearest thousand.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Envisage Group Limited as at 31 December 2021 and these financial statements may be obtained from 12 Herald Way, Binley Industrial Estate, Coventry, CV3 2NY.

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.3 Going concern

After making enquiries and preparing integrated profit and loss and cash flow forecasts for one year from the date the financial statements are signed, the Directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future and the financial statements have accordingly been prepared on a going concern basis.

The board of Directors has undertaken a recent thorough review of the Company budgets and forecasts and has produced detailed and realistic cash flow projections to 31 December 2023. Various scenarios have been run on these projections, including the modelling of worst case scenarios. The Company has an overdraft balance as at 27 July 2022 of £344,000 and an unused invoice discount facility of £7,000. The Company has performed in line with expectations and has a satisfactory order book for FY22 at the date of signing these financial statements.

The Company's ultimate parent company, Envisage Investments Limited, has also confirmed that it is willing to provide the Company with sufficient financial support and working capital to enable the Company to meet its ongoing liabilities, as they fall due.

This level of cash, facility and financial support from the ultimate parent company and its shareholders, is considered enough to meet the worst case stress test scenario after applying certain sensitivities. On this basis, the board of Directors considers the going concern basis of accounting to remain appropriate.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.5 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Amortisation

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

The estimated useful lives range as follows:

Goodwill	-	10 years straight line
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2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Computer software is capitalised within tangible fixed assets as the software is deemed to provide the functionality that a number of tangible fixed assets require in order to operate in the manner intended.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- 3 to 10 years
Fixtures, fittings and equipment	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administration expenses within the Statement of Comprehensive Income.

2.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial Instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate under the contract.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Government grants

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.13 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.14 Leased assets: Lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax is recognised in respect of all material timing differences that originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax is measured on an undiscounted basis at the tax rates expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations for future events that we believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The recoverable amount of goodwill is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

4. Employees

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	2020 No.
Administrative	21	13
Management	1	1
	<u>22</u>	<u>14</u>

During the year, the Directors received no emoluments from the Company (2020 - £Nil). Directors' remuneration is paid through the parent company, Envisage Group Limited.

5. Exceptional Items

	2021 £000	2020 £000
Redundancy and reorganisation costs	-	46

Redundancy and reorganisation costs

In the prior year, exceptional costs include exceptional legal costs and costs relating to the loss of several employees, including management personnel, as part of an organisational restructure.

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

6. Intangible assets

	Goodwill £000
Cost	
At 1 January 2021	1,292
At 31 December 2021	<u>1,292</u>
Amortisation	
At 1 January 2021	527
Charge for the year	129
At 31 December 2021	<u>656</u>
Net book value	
At 31 December 2021	<u><u>636</u></u>
At 31 December 2020	<u><u>765</u></u>

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

7. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost			
At 1 January 2021	111	292	403
Additions	-	3	3
At 31 December 2021	<u>111</u>	<u>295</u>	<u>406</u>
Depreciation			
At 1 January 2021	111	286	397
Charge for the year	-	4	4
At 31 December 2021	<u>111</u>	<u>290</u>	<u>401</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>5</u>	<u>5</u>
At 31 December 2020	<u>-</u>	<u>6</u>	<u>6</u>

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

8. Debtors

	2021	2020
	£000	£000
Trade debtors	448	534
Amounts owed by group undertakings	261	1,107
Other debtors	84	9
Prepayments	20	19
Accrued income	26	90
Deferred taxation (note 10)	96	-
	<u>935</u>	<u>1,759</u>

9. Creditors: falling due within one year

	2021	2020
	£000	£000
Bank overdrafts	491	822
Invoice discounting	128	258
Trade creditors	364	569
Amounts owed to group undertakings	274	325
Corporation tax	-	57
Other taxation and social security	48	40
Other creditors	4	-
	<u>1,309</u>	<u>2,071</u>

The amounts included in invoice discounting are secured by a debenture covering a range of the entity's assets, securing all monies due or to become due from the Company to Bibby Financial Services Limited.

Amounts owed to group undertakings are interest free and repayable on demand.

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

10. Deferred taxation

	2021 £000
Charged to profit or loss	96
At end of year	<u>96</u>

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Fixed asset timing differences	25	-
Short term timing differences	1	-
Losses and other deductions	70	-
	<u>96</u>	<u>-</u>

The Company has a total unprovided deferred tax asset of £Nil (2020 - £43,000). This is comprised of a deferred tax asset in relation to available tax losses of £Nil (2020 - £20,000), a deferred tax asset in relation to other timing differences of £Nil (2020 - £Nil), and a deferred tax asset in relation to the excess of taxation allowances over depreciation on fixed assets of £Nil (2020 - £23,000).

11. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
51,000 Ordinary shares of £1.00 each	<u>51</u>	<u>51</u>

12. Reserves

Share premium account

This reserve records the amount received in respect of share capital in excess of the nominal value of the shares.

Profit and loss account

Includes all current and prior period retained profits and losses.

Envisage Recruitment Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

13. Contingent liabilities

An unlimited multilateral guarantee has been given by the Company in favour of group undertakings Envisage Classic & Bespoke Limited, Envisage Technologies Limited and Envisage Group Limited.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £24,000 (2020 - £14,000).

Contributions totalling £4,000 (2020 - £Nil) were payable to the fund at the Balance Sheet date.

15. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	13	68
Later than 1 year and not later than 5 years	-	28
	<u>13</u>	<u>96</u>

16. Related party transactions

In accordance with FRS 102 section 33.1A the Company has taken advantage of the exemption available not to disclose details of transactions entered into between wholly owned subsidiaries of Envisage Group Limited.

17. Controlling party

The Company's parent company is Envisage Group Limited, a company registered in England & Wales and the ultimate parent company is Envisage Investments Limited, a company registered in Guernsey.

Envisage Group Limited prepares consolidated financial statements. These financial statements can be obtained from Envisage Group Limited's registered office at 12 Herald Way, Binley Industrial Estate, Coventry, United Kingdom, CV3 2NY.

The Company is under the ultimate control of Mrs R Hudson by virtue of her majority shareholding in the ultimate parent company, Envisage Investments Limited.