

**PREPARED FOR THE REGISTRAR
PURPLE FACTORS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 MARCH 2021 TO 31 MARCH 2022**

Purple Factors Limited

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Purple Factors Limited

Company Information

| | |
|--------------------------|--|
| Director | D S Thornhill |
| Registered office | The Aspen Building Vantage Point Business Village Mitcheldean Gloucestershire GL17 0DD |
| Auditors | Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX |

Purple Factors Limited

(Registration number: 05885061)
Balance Sheet as at 31 March 2022

| | Note | 31 March 2022 £ | 28 February 2021 £ |
|---|----------|-----------------------|--------------------------|
| Fixed assets | | | |
| Investments | <u>4</u> | 81,382 | 20,300 |
| Current assets | | | |
| Debtors | <u>5</u> | 774,010 | 1,026,756 |
| Cash at bank and in hand | | <u>11,626</u> | <u>246,628</u> |
| | | 785,636 | 1,273,384 |
| Creditors: Amounts falling due within one year | <u>6</u> | <u>(187,411)</u> | <u>(535,267)</u> |
| Net current assets | | <u>598,225</u> | <u>738,117</u> |
| Total assets less current liabilities | | 679,607 | 758,417 |
| Creditors: Amounts falling due after more than one year | <u>6</u> | <u>(33,235)</u> | <u>(44,483)</u> |
| Net assets | | <u><u>646,372</u></u> | <u><u>713,934</u></u> |
| Capital and reserves | | | |
| Called up share capital | <u>8</u> | 100 | 100 |
| Profit and loss account | | <u>646,272</u> | <u>713,834</u> |
| Total equity | | <u><u>646,372</u></u> | <u><u>713,934</u></u> |

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 9 November 2021

D S Thornhill
Director

Purple Factors Limited

Notes to the Financial Statements for the Period from 1 March 2021 to 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
The Aspen Building
Vantage Point Business Village
Mitcheldean
Gloucestershire
GL17 0DD

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Going concern

After reviewing the company's forecasts and projections, the director has a reasonable expectation that the company has adequate resources to continued in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

Purple Factors Limited

Notes to the Financial Statements for the Period from 1 March 2021 to 31 March 2022

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Tax

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

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

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

| Asset class | Depreciation method and rate |
|-----------------------|------------------------------|
| Fixtures and fittings | 25% straight line |

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Purple Factors Limited

Notes to the Financial Statements for the Period from 1 March 2021 to 31 March 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

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

Defined contribution pension obligation

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

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Purple Factors Limited

Notes to the Financial Statements for the Period from 1 March 2021 to 31 March 2022

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Staff numbers

The average number of persons employed by the company (including the director) during the period, was 6 (2021 - 7).

4 Investments

| | 31 March 2022 £ | 28 February 2021 £ |
|-----------------------------|-----------------------|--------------------------|
| Investments in subsidiaries | 842 | 200 |
| Interest in partnerships | 80,540 | 20,100 |
| | <u>81,382</u> | <u>20,300</u> |

Subsidiaries

£

Cost

| | |
|------------------|------------|
| At 1 March 2021 | 200 |
| Additions | <u>642</u> |
| At 31 March 2022 | <u>842</u> |

Interest in partnerships

£

Cost

| | |
|------------------|---------------|
| At 1 March 2021 | 20,100 |
| Profit share | <u>60,440</u> |
| At 31 March 2022 | <u>80,540</u> |

Purple Factors Limited

Notes to the Financial Statements for the Period from 1 March 2021 to 31 March 2022

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

| Undertaking | Country of incorporation | Holding | Proportion of voting rights and shares held | |
|--|--------------------------|-------------------|---|------|
| | | | 2022 | 2021 |
| Infinity Skills Solutions Limited | England and Wales | Ordinary | 100% | 0% |
| Partner Together Limited | England and Wales | Ordinary | 100% | 100% |
| Pulse Centric Limited | England and Wales | Ordinary | 60% | 40% |
| Recruitment Media Limited | England and Wales | Ordinary | 100% | 0% |
| Simplicity Accounting Services Limited | England and Wales | Ordinary | 90% | 0% |
| Simplicity CIS Limited | England and Wales | Ordinary | 90% | 0% |
| Simplicity Contracting Limited | England and Wales | Ordinary | 90% | 100% |
| Simplicity PEO Limited | England and Wales | Ordinary | 90% | 0% |
| Infinity Skills LLP | England and Wales | Designated member | 50% | 50% |
| Recruitment Staffing Solutions LLP | England and Wales | Designated member | 50% | 50% |

5 Debtors

| | 31 March 2022 £ | 28 February 2021 £ |
|---------------------------------|-----------------------|--------------------------|
| Trade debtors | 42,085 | 58,991 |
| Amounts owed by related parties | 731,925 | 692,073 |
| Other debtors | - | 269,112 |
| Prepayments | - | 6,580 |
| | <u>774,010</u> | <u>1,026,756</u> |

6 Creditors

| | Note | 31 March 2022 £ | 28 February 2021 £ |
|--|------|-----------------------|--------------------------|
| Due within one year | | | |
| Loans and borrowings | 7 | 9,666 | 5,517 |
| Trade creditors | | 55,992 | 52,720 |
| Social security and other taxes | | 71,631 | 13,279 |
| Outstanding defined contribution pension costs | | 475 | - |
| Other creditors | | 42,647 | 442,040 |
| Accrued expenses | | 7,000 | 3,000 |
| Corporation tax liability | | - | 18,711 |
| | | <u>187,411</u> | <u>535,267</u> |

Purple Factors Limited

Notes to the Financial Statements for the Period from 1 March 2021 to 31 March 2022

| | Note | 31 March 2022 £ | 28 February 2021 £ |
|---------------------------|------|-----------------------|--------------------------|
| Due after one year | | | |
| Loans and borrowings | 7 | 33,235 | 44,483 |

7 Loans and borrowings

| | 31 March 2022 £ | 28 February 2021 £ |
|---|--------------------------------|-----------------------------------|
| Current loans and borrowings | | |
| Bank borrowings | 9,666 | 5,517 |
| | 31 March 2022 £ | 28 February 2021 £ |
| Non-current loans and borrowings | | |
| Bank borrowings | 33,235 | 44,483 |

Included in loan and borrowings is £42,901 (2021: £50,000) in relation to the Coronavirus Bounce Back Loan Scheme. The amount due in over five years is £nil (2021: £4,409).

8 Share capital

Allotted, called up and fully paid shares

| | 31 March 2022 | | 28 February 2021 | |
|------------------------------|---------------|-----|------------------|-----|
| | No. | £ | No. | £ |
| A Ordinary shares of £1 each | 51 | 51 | 51 | 51 |
| B Ordinary shares of £1 each | 49 | 49 | 49 | 49 |
| | 100 | 100 | 100 | 100 |

All ordinary shares in issue rank pari-passu in all respects, other than dividend rights.

9 Related party transactions

Other transactions with directors

During the period the company advanced and at the period end was owed £382,741 (2021: £nil) by D S Thornhill in the form of a director's loan account. No interest was charged on this balance and there are no fixed repayment terms.

10 Parent and ultimate parent undertaking

The company's immediate parent is Simplicity Tech Group Limited, incorporated in England and Wales.

11 Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 9 November 2021 was Ryan Hancock, who signed for and on behalf of Hazlewoods LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.