

Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2022
for
AKKA Development UK Limited

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for the Year Ended 31 December 2022**

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AKKA Development UK Limited
Company Information
for the Year Ended 31 December 2022

DIRECTORS:

D Harwood
L Mimale

REGISTERED OFFICE:

New Filton House
Filton 20
Golf Course Lane
Bristol
BS34 7QQ

REGISTERED NUMBER:

07123530 (England and Wales)

Strategic Report
for the Year Ended 31 December 2022

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

REVIEW OF BUSINESS

AKKA (the company) provides a wide-range of global engineering services for industrial projects for multiple sectors including aeronautics, automotive, rail and the energy industry.

The company's employees include engineers, technicians and project managers.

The principal activities of the company during the year were:

- Engineering Consultancy in Aeronautics, Railways and Automotive industry
- Aerospace systems engineering
- RAMS
- IT

PRINCIPAL RISKS AND UNCERTAINTIES

The company manages the potential risks and uncertainties that may impact the strategic targets.

These risks are also monitored at the Adecco Group level and reviewed on a weekly basis for the operational risks, and on a monthly basis for the financial and legal risks.

The main operational challenge for the coming years to our business is still the scarcity of resources due to shortage of skilled labour in the UK - This shortage following the economic recovery after the end of the main COVID-19 restrictions had been worsen by the exit from the European community, as less resources are willing to relocate to the UK.

ANALYSIS OF KEY PERFORMANCE INDICATORS

The company directors and the Adecco Group are using a wide range of Key performance indicators, in order to assess the business profitability and to drive the business in the most efficient way. Two of the main performance indicators are the project margin and the Operating profit of the company.

The 2022 company's project margin was higher than in 2021 (+22%) slightly below the budget expectations. This is due to an IT outage which has impacted the activity in May 2022.

Nevertheless, the company has achieved an operating profit of £675k in 2022, compared to £458k in the previous year and in line with the budget expectations.

Our main customers in Aeronautic, Defence and Automotive have been resuming their subcontracting to a normal level of activity. The growth in the Defence sector started in 2019 has continued in 2022.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company is exposed to several financial risks, including liquidity, credit and economic risk. The directors monitor the net debt and cash flows on a regular basis and that adequate working capital facilities are in place.

The company is integrated in the Adecco Group cash pooling scheme. The factoring facility was implemented in 2018.

FUTURE DEVELOPMENTS AND EVENTS

The Adecco Group has completed the purchase of majority holding in the AKKA Group in February 2022. The integration of AKKA and Modis (Adecco's subsidiary) has created a Smart Industry leader, delivering significant value for all stakeholders.

RESEARCH AND DEVELOPMENT ACTIVITIES

During the year, AKKA has continued to perform a wide range of R&D activities, worked on projects, and sought to advance science and technology through the resolution of scientific and technical uncertainties. AKKA provides innovative services and advances in processes across Aerospace, Automotive and Rail sectors in safety critical applications.

ON BEHALF OF THE BOARD:

D Harwood - Director

17 July 2023

Report of the Directors
for the Year Ended 31 December 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of aerospace, automotive and rail engineering.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

DIRECTORS

The directors who have held office during the period from 1 January 2022 to the date of this report are as follows:

M Ricci - resigned 23 February 2022
J-F Ricci - resigned 23 February 2022
K Ragnvaldsen - resigned 3 November 2022
J Boissonnet - appointed 20 October 2022
G Tagg - appointed 4 October 2022

D Harwood and L Mimale were appointed as directors after 31 December 2022 but prior to the date of this report.

G Tagg and J Boissonnet ceased to be directors after 31 December 2022 but prior to the date of this report.

FINANCIAL RISK MANAGEMENT

The company financial risk management is disclosed within the notes to the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Sumer Audit, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

D Harwood - Director

17 July 2023

Report of the Independent Auditors to the Members of
AKKA Development UK Limited

Opinion

We have audited the financial statements of AKKA Development UK Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 state of the company's affairs as at 31 December 2022 and of its profit 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 Auditors' 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 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 the Report of the Directors.

We have nothing to report in respect of the following matters where 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.

Report of the Independent Auditors to the Members of
AKKA Development UK Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 a Report of the Auditors 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.

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:

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment law and company legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements of the Company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the audit engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities, and fraud;
- Reviewing the Company's legal costs to check for non-compliance with laws and regulations and fraud;
- Review of tax compliance;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Testing transactions entered into outside of the normal course of the Company's business; and
- Identifying and testing journal entries, in particular any journal entries with fraud characteristics such as journals with round numbers.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
AKKA Development UK Limited

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 a Report of the Auditors 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.

David Black (Senior Statutory Auditor)
for and on behalf of Sumer Audit
Statutory Auditors
Hermes House
Fire Fly Avenue
Swindon
Wiltshire
SN2 2GA

19 July 2023

**Statement of Comprehensive
Income
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
TURNOVER	4	13,071,289	12,135,842
Cost of sales		<u>11,115,219</u>	<u>10,679,729</u>
GROSS PROFIT		1,956,070	1,456,113
Administrative expenses		<u>1,552,490</u>	<u>1,372,563</u>
		403,580	83,550
Other operating income		<u>271,909</u>	<u>374,458</u>
OPERATING PROFIT	6	675,489	458,008
Interest payable and similar expenses	7	<u>1,273</u>	<u>25,460</u>
PROFIT BEFORE TAXATION		674,216	432,548
Tax on profit	8	<u>166,472</u>	<u>(118,758)</u>
PROFIT FOR THE FINANCIAL YEAR		507,744	551,306
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>507,744</u>	<u>551,306</u>

Balance Sheet
31 December 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	9		77,998		106,191
Tangible assets	10		<u>105,885</u>		<u>87,552</u>
			183,883		193,743
CURRENT ASSETS					
Debtors	11	7,189,040		6,793,922	
Cash at bank	12	<u>1,170,176</u>		<u>703,368</u>	
		8,359,216		7,497,290	
CREDITORS					
Amounts falling due within one year	13	<u>5,819,407</u>		<u>5,435,126</u>	
NET CURRENT ASSETS			<u>2,539,809</u>		<u>2,062,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,723,692		2,255,907
PROVISIONS FOR LIABILITIES	17		<u>11,738</u>		<u>51,697</u>
NET ASSETS			<u>2,711,954</u>		<u>2,204,210</u>
CAPITAL AND RESERVES					
Called up share capital	18		1		1
Retained earnings	19		<u>2,711,953</u>		<u>2,204,209</u>
SHAREHOLDERS' FUNDS			<u>2,711,954</u>		<u>2,204,210</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17 July 2023 and were signed on its behalf by:

D Harwood - Director

Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	1	1,652,903	1,652,904
Changes in equity			
Total comprehensive income	-	551,306	551,306
Balance at 31 December 2021	1	2,204,209	2,204,210
Changes in equity			
Total comprehensive income	-	507,744	507,744
Balance at 31 December 2022	1	2,711,953	2,711,954

Notes to the Financial Statements
for the Year Ended 31 December 2022

1. STATUTORY INFORMATION

AKKA Development UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

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

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirement of paragraph 33.7.

This information is included in the consolidated financial statements of the ultimate parent company Adecco Group AG Switzerland as at 31 December 2022. A copy of these financial statements may be obtained from Adecco Group AG Switzerland, Bellerivestrasse 30, 8008 Zürich, Switzerland

Significant judgements and estimates

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Project income and expenditure - Significant management judgement and estimates are involved in the determination of the level of accrued income and accrued costs in relation to ongoing projects as at the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable. Turnover is reduced for customer returns, rebates or other similar allowances and is net of value added taxes. Turnover is from the rendering of services.

Turnover from the rendering of 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 revenue can be measured reliably;
- it is probable that the company will receive 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.

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 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 is provided on goodwill over 3 years on a straight line basis.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life or 3 years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- over period of lease
Fixtures and fittings	- 33% on straight line basis and 25% on reducing balance
Computer equipment	- 33% on straight line basis

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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits for the company. The carrying amount of the replaced part is recognised. repairs and maintenance are charged to the profit and loss during the period in which they are incurred.

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 'other operating income' in the Statement of comprehensive Income.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt the requirements of sections 11 and 12 of FRS 102 in respect of the measurement and disclosure of financial instruments.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised 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, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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 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.

Provisions and liabilities

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	12,649,352	11,605,375
Europe	311,597	468,680
Rest of the world	110,340	61,787
	<u>13,071,289</u>	<u>12,135,842</u>

5. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	5,629,996	4,654,818
Social security costs	699,254	546,351
Other pension costs	456,062	377,210
	<u>6,785,312</u>	<u>5,578,379</u>

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

	2022	2021
Employees including directors	<u>120</u>	<u>108</u>

	2022	2021
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

During the year, no director received any emoluments.

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Other operating leases	222,047	187,575
Depreciation - owned assets	35,847	69,586
Computer software amortisation	28,193	54,272
Auditors' remuneration	12,000	9,280
Foreign exchange differences	<u>(19,305)</u>	<u>55,781</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Group interest payable	<u>1,273</u>	<u>25,460</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

8. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	94,061	(141,564)
Deferred tax	72,411	22,806
Tax on profit	<u>166,472</u>	<u>(118,758)</u>

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	<u>674,216</u>	<u>432,548</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	128,101	82,184
Effects of:		
Expenses not deductible for tax purposes	846	757
Income not taxable for tax purposes	(1)	(50,843)
Other deferred tax timing differences	7,281	(14,562)
R & D expenditure credit	(9,945)	24,754
Adjustments to tax charge in respect of previous periods	42,074	(164,364)
Fixed asset differences	(1,884)	3,316
Total tax charge/(credit)	<u>166,472</u>	<u>(118,758)</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2022 and 31 December 2022	<u>470,099</u>	<u>214,735</u>	<u>684,834</u>
AMORTISATION			
At 1 January 2022	470,099	108,544	578,643
Amortisation for year	<u>-</u>	<u>28,193</u>	<u>28,193</u>
At 31 December 2022	<u>470,099</u>	<u>136,737</u>	<u>606,836</u>
NET BOOK VALUE			
At 31 December 2022	<u>-</u>	<u>77,998</u>	<u>77,998</u>
At 31 December 2021	<u>-</u>	<u>106,191</u>	<u>106,191</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

10. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2022	123,431	110,294	375,398	609,123
Additions	-	1,464	52,716	54,180
Disposals	(1,485)	(16,210)	-	(17,695)
At 31 December 2022	<u>121,946</u>	<u>95,548</u>	<u>428,114</u>	<u>645,608</u>
DEPRECIATION				
At 1 January 2022	61,032	109,954	350,585	521,571
Charge for year	12,290	786	22,771	35,847
Eliminated on disposal	(1,485)	(16,210)	-	(17,695)
At 31 December 2022	<u>71,837</u>	<u>94,530</u>	<u>373,356</u>	<u>539,723</u>
NET BOOK VALUE				
At 31 December 2022	<u>50,109</u>	<u>1,018</u>	<u>54,758</u>	<u>105,885</u>
At 31 December 2021	<u>62,399</u>	<u>340</u>	<u>24,813</u>	<u>87,552</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	2,327,990	3,986,751
Amounts owed by group undertakings	3,486,313	1,276,866
Other debtors	253,318	381,093
Tax	501,162	473,397
Deferred tax asset	-	60,673
Prepayments and accrued income	620,257	615,142
	<u>7,189,040</u>	<u>6,793,922</u>

12. CASH AT BANK

	2022 £	2021 £
Cash at bank and in hand	<u>1,170,176</u>	<u>703,368</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	686,547	440,799
Amounts owed to group undertakings	1,203,113	360,052
Social security and other taxes	652,760	798,308
Other creditors	62,638	14,642
Factoring	1,599,078	1,965,077
Accruals and deferred income	1,615,271	1,856,248
	<u>5,819,407</u>	<u>5,435,126</u>

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £6,499 (2021: £7,975) were payable to the fund at the balance sheet date and are included in other creditors.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

14. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	76,729	79,009
Between one and five years	143,493	220,222
	<u>220,222</u>	<u>299,231</u>

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	2022	2021
	£	£
Factoring	<u>1,599,078</u>	<u>1,965,077</u>

The factoring facility provided by BNP Paribas Fortis Factor N.V. is secured against the book debts of the company.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

16. **FINANCIAL INSTRUMENTS**

This section gives a comprehensive overview of the significance of financial instruments for the company and provides additional information on Statement of Financial Position items that contain financial instruments.

The following table presents the carrying amounts of each category of financial assets and liabilities:

	£	£	31 Dec 2022	31 Dec 2021
Financial assets				
Loans and receivables			6,608,320	6,177,185
Cash and cash equivalents			1,170,176	703,368
			<u>7,778,496</u>	<u>6,880,553</u>
Financial liabilities				
Financial liabilities measured at amortised cost			4,659,501	4,198,684
			<u>4,659,501</u>	<u>4,198,684</u>

The following table presents the fair values and carrying amounts of financial assets and liabilities measured at cost or amortised cost:

	£	£	£	31 December 2022 Fair value £	31 December 2022 Book value	31 December 2021 Fair Value	31 December 2021 Book Value
Financial assets measured at cost or amortised cost							
Cash and cash equivalents				1,170,176	1,170,176	703,368	703,368
Other current financial assets				6,608,320	6,608,320	6,177,185	6,177,185
				<u>7,778,496</u>	<u>7,778,496</u>	<u>6,880,553</u>	<u>6,880,553</u>
Financial liabilities measured at cost or amortised cost							
Trade payables				686,545	686,545	440,798	440,798
Other current financial liabilities				3,972,956	3,972,956	3,757,886	3,757,886
				<u>4,569,501</u>	<u>4,569,501</u>	<u>4,198,684</u>	<u>4,198,684</u>

All financial assets and liabilities are measured at amortised cost.

The fair values of cash and cash equivalents, current receivables, other current financial assets, other assets, trade payables and other current financial liabilities and other liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

There are no financial assets and liabilities measured at fair value.

Collateral

The company does not hold any collateral that can be sold or re-pledged in the absence of default by the owner on contractual terms. Nor does the company pledge its financial assets as collateral to third parties.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

FINANCIAL RISK MANAGEMENT

Exposure to foreign currency, credit, liquidity and cash flow interest rate risks arises in the normal course of the company's business. These risks are limited by the company's financial management policies and practices described below.

Foreign currency risk

The company has limited exposure to foreign currency risk. Substantially all of the company's sales and purchases are denominated in sterling or Euro's. The exposure to foreign currency exchange risk is not deemed significant at group level and no active management of this risk is undertaken.

Credit risk

The company is at risk from its customers defaulting in making payments for services that have been supplied to them. The risk is mitigated by the ongoing strong customer relationships that the company maintains.

Liquidity risk

The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves, banking facilities and reserve borrowing facilities. They do this by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Cash flow interest rate risk

The company is exposed to interest rate risk through the impact of rate changes on interest-bearing borrowings. The company's policy is to obtain the most favourable interest rates available for its borrowings.

The company has no significant interest-bearing assets and liabilities. The company does not use any derivative instruments to reduce its economic exposure to changes in interest rates.

17. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax	11,738	-
Other provisions	-	51,697
	<u>11,738</u>	<u>51,697</u>
	Deferred tax	Other provisions
	£	£
Balance at 1 January 2022	(60,673)	51,697
Utilised during year	72,411	(51,697)
Balance at 31 December 2022	<u>11,738</u>	<u>-</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2022 £	2021 £
Number:	Class:			
1	Ordinary	£1	<u>1</u>	<u>1</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

19. RESERVES

	Retained earnings £
At 1 January 2022	2,204,209
Profit for the year	<u>507,744</u>
At 31 December 2022	<u>2,711,953</u>

Retained earnings - includes all current and prior period retained profits and losses.

20. ULTIMATE PARENT COMPANY

The immediate parent undertaking was Modis International Limited UK, a company incorporated in the United Kingdom. The ultimate parent undertaking is Adecco Group AG Switzerland, a company, incorporated in Switzerland.

Adecco Group AG Switzerland is both the largest and smallest group for which consolidated financial statements are drawn up of which the company is a member. The financial statements of Adecco Group AG Switzerland are available from Bellerivestrasse 30, 8008 Zürich, Switzerland

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, a total of key management personnel compensation of £ 506,516 (2021 - £ 440,335) was paid.

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