

REGISTERED NUMBER: 08566829 (England and Wales)

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements**

**for the Year Ended 31 December 2022
for
Exceed Outsourcing Limited**

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for the Year Ended 31 December 2022**

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Exceed Outsourcing Limited

**Company Information
for the Year Ended 31 December 2022**

DIRECTORS:

B Mellor
M Parsons

REGISTERED OFFICE:

Studio 3, Bridge Street Studios
62 Bridge Street
Manchester
M3 3BW

REGISTERED NUMBER:

08566829 (England and Wales)

AUDITORS:

Hurst Accountants Limited
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD

**Group Strategic Report
for the Year Ended 31 December 2022**

The directors present their strategic report of the company and the group for the year ended 31 December 2022.

REVIEW OF BUSINESS

After a successful end to the previous year, we felt confident that the business was going in the right direction and our strategy was proving effective. The year started slowly however, with inflation, the Ukraine conflict and political scandal causing a lot of uncertainty in the market.

The implementation of the Social Care Levy in April 2022 had a big impact on contractors working through umbrella companies. The assignment rates paid by the agencies didn't increase in line with the additional employment costs, so the take home pay received by contractors decreased.

Temporary loss of our CIS Gross Payment Status at the start of the year was frustrating, as it meant our construction market share diminished, but this was regained in Q4.

The Harpur Trust case caused a full rethink in how our holiday pay is operated, with lots of time and money spent developing our systems to be able to adapt to the new high court ruling. We are hopeful that this will be addressed in 2023, as the current situation makes holiday pay calculations extremely complicated and time consuming.

Despite these issues and setbacks, our performance drastically improved as the year went on, with Q3 being at record breaking levels despite the turmoil caused by Governmental change and the short-lived announcement of the repeal of IR35. We recruited additional staff, invested in new technology and improved the employee benefits available.

Inflation and the cost-of-living crisis had a significant impact on the number of temp jobs in the marketplace in Q4 however, as candidates were seeking guaranteed income from permanent roles.

By the end of the year, our gross margin across all solutions had still grown by circa 25%, putting us in a great position to continue our growth.

PRINCIPAL RISKS AND UNCERTAINTIES

The group finances its operations through retained profit, with no external borrowing.

The management's objectives are to retain sufficient liquid funds to enable it to meet its day-to-day obligations as they fall due. These surplus funds are primarily invested in sterling backed accounts, limiting exposure to price risk.

The group's credit risk is primarily attributable to its trade debtors. It is the group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the group and its suppliers, provided that all trading terms and conditions have been complied with.

**Group Strategic Report
for the Year Ended 31 December 2022**

SECTION 172 STATEMENT

Contractors

Our clients and contractors are the central focus of our business. The company's ongoing success is built upon an ability to understand their needs and respond with solutions. This allows us to anticipate how these needs will evolve and to provide services and products that meet their goals.

We engage with our clients through a variety of channels including:

- Obtaining feedback from genuine customers via independent review site Feefo and engaging directly with both satisfied and dissatisfied clients
- Periodic surveys to understand their needs, current challenges and concerns to ensure we evolve the business and its solutions to meet their needs.
- Engagement of the wider market to highlight how our offering should evolve to meet their needs.

People

Our people are our biggest asset and are central to the ongoing success of the company. Our people strategy is to develop an agile workforce as we continue to attract, retain, develop and motivate the right people for our current and future business needs.

We offer staff the opportunity to undertake apprenticeships in either their current role or in an area where they feel they would like to progress their career. This year, two employees started apprenticeships in an entirely new professional direction, which will help them developmentally as well as adding value to the business.

We engage with people through the following activities:

- Involving all staff in the development of our vision and values
- Engagement sessions held by the executive and senior management team
- Regular management briefings and presentations by the executive team to discuss performance against the vision, values and strategic plan

Additionally, we have ensured that the health, wellbeing and safety of our employees is the highest priority. Consequently, we ensured that as many employees as possible who could work from home have done so. Where this was impractical, either due to the nature of the role or our employees' circumstances, significant changes to work practices have been implemented to ensure all our employees can work in a safe environment and ensure social distancing was adhered to. Even when restrictions were lifted, we have kept the option of hybrid working in place for staff.

**Group Strategic Report
for the Year Ended 31 December 2022**

Partners and Professional Bodies

We recognise the importance of our various partners in delivering services to clients and ensure we have shared values. We seek to build positive relationships with the professional bodies that represent both us and the industry as a whole.

We engage with our partners and professional bodies through the following activities:

- We ensure our payment terms with all suppliers are fair in compliance with payment practices
- We maintain ongoing relations with our key suppliers and partners, proactively engaging with them on specific challenges or changes
- We hold meetings with Professional Passport, HMRC and other Government bodies, ensuring we maintain a compliant and transparent relationship at all times

Society and Communities

We recognise the responsibility we have to wider society and other key stakeholders. As a significant employer where we are based, the local communities are keen to ensure we are supporting and investing in local jobs, operating safely and ethically.

We engage with society and communities in which we operate. Staff help to select which charities we should support, which in recent years has predominantly been helping homeless and vulnerable people in Manchester.

KEY PERFORMANCE INDICATORS

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

	2022	2021
	£	£
Turnover	50,863,242	44,956,336
Operating profit / (Loss)	6,124	(63,462)
Operating Margin	0.01%	(0.14%)
Net Assets	95,451	63,317

The comparative figures are in respect of the period ended 31 December 2021.

ON BEHALF OF THE BOARD:

M Parsons – Director

Date: 22 September 2023

**Report of the Directors
for the Year Ended 31 December 2022**

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

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of business services.

DIVIDENDS

No dividend was paid or is proposed.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

B Mellor

M Parsons

DISABLED EMPLOYEES

The group gives full consideration to applicants for employment from disabled persons where the candidates' aptitudes and abilities consistent with adequately meeting the requirement of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the groups policy to provide continuing employment wherever practicable in the same or alternative position and to provide appropriate training to achieve this aim. The group adheres to the Equal Opportunities Act and make reasonable adjustments in the workplace following any access to work assessment.

ENGAGEMENT WITH EMPLOYEES

We are intending on reviewing the benefits offered to employees. The options we are currently considering, in conjunction with the staff, are salary sacrifice for pensions, cycle to work scheme, tech purchase scheme, private healthcare and other financial services options. The chosen options will be implemented in the new tax year.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

DISCLOSURE IN THE STRATEGIC REPORT

The directors have chosen to set out the disclosure relating to financial risk objectives & policies in the strategic report.

POST BALANCE SHEET EVENTS

There are no post balance sheet events requiring disclosure in these financial statements.

FUTURE DEVELOPMENTS

There are no future developments requiring disclosure in these financial statements.

**Report of the Directors
for the Year Ended 31 December 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

M Parsons – Director

Date: 22 September 2023

Report of the Independent Auditors to the Members of Exceed Outsourcing Limited

Opinion

We have audited the financial statements of Exceed Outsourcing Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 31 December 2022 and of the group's 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 group 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 group's and the parent 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 Group 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.

**Report of the Independent Auditors to the Members of
Exceed Outsourcing Limited**

Other information (continued)

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 Group 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 Group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages five and six, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Exceed Outsourcing Limited

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:

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 identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the company operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Company's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Company operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption.

**Report of the Independent Auditors to the Members of
Exceed Outsourcing Limited**

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

**Report of the Independent Auditors to the Members of
Exceed Outsourcing Limited**

Audit response to risks identified (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments. We have used data analytics software to identify accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or error.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. 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.

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.

J Glover (Senior Statutory Auditor)
for and on behalf of Hurst Accountants Limited
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD

Date: 22 September 2023

Exceed Outsourcing Limited (Registered number: 08566829)

**Consolidated
Income Statement
for the Year Ended 31 December 2022**

		31.12.22	31.12.21
	Notes	£	£
TURNOVER	3	50,863,242	44,956,336
Cost of sales		49,786,444	44,095,130
GROSS PROFIT		1,076,798	861,206
Administrative expenses		1,075,240	930,542
		1,559	(69,336)
Other operating income	4	4,573	5,874
OPERATING PROFIT/(LOSS)	7	6,131	(63,462)
Interest receivable and similar income	9	110	4,106
		6,241	(59,356)
Interest payable and similar expenses	10	117	4
PROFIT/(LOSS) BEFORE TAXATION		6,124	(59,360)
Tax on profit/(loss)	11	(30,011)	(23,462)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		36,135	(35,898)
Profit/(loss) attributable to:			
Owners of the parent		36,135	(35,898)

There was no other comprehensive income for 2022 (2021 - nil)

The notes on pages 21 to 31 form part of these financial statements

Consolidated Balance Sheet
31 December 2022

	Notes	31.12.22 £	31.12.21 £
FIXED ASSETS			
Tangible assets	14	7,333	11,993
Investments	15	-	-
		<u>7,333</u>	<u>11,993</u>
CURRENT ASSETS			
Debtors	16	954,949	905,214
Cash at bank		3,312,202	2,917,714
		<u>4,267,151</u>	<u>3,822,928</u>
CREDITORS			
Amounts falling due within one year	17	<u>4,175,033</u>	<u>3,771,604</u>
NET CURRENT ASSETS		<u>92,118</u>	<u>51,324</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>99,451</u>	<u>63,317</u>
CAPITAL AND RESERVES			
Called up share capital	19	4,000	4,000
Retained earnings	20	<u>95,451</u>	<u>59,317</u>
SHAREHOLDERS' FUNDS		<u>99,451</u>	<u>63,317</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 September 2023 and were signed on its behalf by:

M Parsons – Director

Company Balance Sheet
31 December 2022

	Notes	31.12.22 £	31.12.21 £
FIXED ASSETS			
Tangible assets	14	6,879	11,244
Investments	15	<u>3</u>	<u>3</u>
		6,882	11,247
CURRENT ASSETS			
Debtors	16	248,199	74,150
Cash at bank		<u>11,740</u>	<u>13,461</u>
		259,939	87,611
CREDITORS			
Amounts falling due within one year	17	<u>192,174</u>	<u>51,231</u>
NET CURRENT ASSETS		<u>67,765</u>	<u>36,380</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>74,644</u>	<u>47,627</u>
CAPITAL AND RESERVES			
Called up share capital	19	4,000	4,000
Retained earnings	20	<u>70,644</u>	<u>43,627</u>
SHAREHOLDERS' FUNDS		<u>74,644</u>	<u>47,627</u>
Company's profit/(loss) for the financial year		<u>27,017</u>	<u>(316,115)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 September 2023 and were signed on its behalf by:

M Parsons – Director

**Consolidated 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	4,000	111,215	115,215
Changes in equity			
Dividends	-	(16,000)	(16,000)
Total comprehensive income	-	(35,898)	(35,898)
Balance at 31 December 2021	4,000	59,317	63,317
Changes in equity			
Total comprehensive income	-	36,134	36,134
Balance at 31 December 2022	4,000	95,451	99,451

The notes on pages 21 to 31 form part of these financial statements

**Company 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	4,000	375,742	379,742
Changes in equity			
Dividends	-	(16,000)	(16,000)
Total comprehensive income	-	(316,115)	(316,115)
Balance at 31 December 2021	4,000	43,627	47,627
Changes in equity			
Total comprehensive income	-	27,017	27,017
Balance at 31 December 2022	4,000	70,644	74,644

The notes on pages 21 to 31 form part of these financial statements

**Consolidated Cash Flow Statement
for the Year Ended 31 December 2022**

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	394,384	(1,441,257)
Interest paid		(117)	(4)
Tax paid		111	-
		<hr/>	<hr/>
Net cash from operating activities		394,378	(1,441,261)
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(12,706)
Interest received		110	4,106
		<hr/>	<hr/>
Net cash from investing activities		110	(8,600)
Cash flows from financing activities			
Equity dividends paid		-	(16,000)
		<hr/>	<hr/>
Net cash from financing activities		-	(16,000)
		<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents		394,488	(1,465,861)
Cash and cash equivalents at beginning of year	2	2,917,714	4,383,575
		<hr/>	<hr/>
Cash and cash equivalents at end of year	2	3,312,202	2,917,714
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 21 to 31 form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2022**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.22	31.12.21
	£	£
Profit/(loss) before taxation	6,124	(59,360)
Depreciation charges	4,660	3,409
Government grants	-	2
Finance costs	117	4
Finance income	(110)	(4,106)
	<u>10,791</u>	<u>(60,051)</u>
Increase in trade and other debtors	(19,836)	(736,894)
Increase/(decrease) in trade and other creditors	<u>403,429</u>	<u>(644,312)</u>
Cash generated from operations	<u><u>394,384</u></u>	<u><u>(1,441,257)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>3,312,202</u>	<u>2,917,714</u>

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u><u>2,917,714</u></u>	<u><u>4,383,575</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank	<u>2,917,714</u>	<u>398,488</u>	<u>3,312,202</u>
	<u>2,917,714</u>	<u>398,488</u>	<u>3,312,202</u>
Total	<u><u>2,917,714</u></u>	<u><u>398,488</u></u>	<u><u>3,312,202</u></u>

The notes on pages 21 to 31 form part of these financial statements

**Notes to the Consolidated Financial Statements – continued
for the Year Ended 31 December 2022**

1. STATUTORY INFORMATION

Exceed Outsourcing Limited is a private company, limited by shares, registered in England and Wales. The companies registered number and registered office can be found on the Company Information page and its principal activity can be found in the Directors Report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The functional and presentational currency of the company is pound sterling (£). Monetary values in the financial statements are rounded to the nearest pound.

Below sets out the accounting policies:

Basis of consolidation

In preparing these consolidated financial statements like items of assets, liabilities, equity, income, expenses and cash flows of the parent have been combined with those of its subsidiaries, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group are eliminated in full.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Significant judgements and estimates

Management does not consider there to be any significant judgments in the preparation of the financial statements. Estimates, assumptions and judgments are continually evaluated.

Going concern

The global financial situation is limiting market growth at the moment. Whilst we had a good 2022, our 2023 forecast shows growth slowing in the first half of the year, but with better levels of growth in the latter half of the year. We are now fully staffed in customer services and back-office staff, but intend to recruit additional agency facing sales staff, as well as increase our marketing spend, to attract and retain new business.

The Government are currently reviewing many aspects of umbrella provision, with regulation being considered. This will have a positive impact on the business, as this will create a level playing field amongst compliant providers, pushing those that break/bend the rules out of the market.

The directors note that the group had sufficient cash reserves as at the year end. Based on our forecast we expect the company to meet all its cash flow requirements, as they fall due, with no recourse for any additional third-party funding. At the time of signing these accounts the directors are of the opinion that the group will remain viable for the foreseeable future.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

2. ACCOUNTING POLICIES - continued

Turnover - continued

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on receipt.

Tangible fixed assets

Measurement of Fixtures and fittings are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

Depreciation on fixtures and fittings is provided at 33% on cost in order to write off each asset over its estimated useful life.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial statements.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, 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.

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

2. ACCOUNTING POLICIES – continued

Deferred tax (continued)

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.

The directors are not recognising a deferred tax asset on the balance sheet, as recoverability of this deferred tax asset is not certain under the provisions of IAS 12. The directors feel that it is prudent not to recognise the asset.

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 group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Basic financial assets

Basic financial assets, which includes debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less, if not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

**Notes to the Consolidated Financial Statements – continued
for the Year Ended 31 December 2022**

3. TURNOVER

The turnover and profit (2021 - loss) before taxation are attributable to the one principal activity of the group.

All sales are made within the United Kingdom.

4. OTHER OPERATING INCOME

	31.12.22	31.12.21
	£	£
Sundry receipts	72	-
Government grants	4,500	5,874
	<u>4,572</u>	<u>5,874</u>

5. EMPLOYEES AND DIRECTORS

	31.12.22	31.12.21
	£	£
Wages and salaries	44,670,907	39,808,773
Social security costs	5,123,725	4,354,359
Other pension costs	519,108	411,781
	<u>50,313,740</u>	<u>44,574,913</u>

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

	31.12.22	31.12.21
Exceed Outsourcing Ltd	7	5
Exceed Umbrella Ltd	1,574	1,475
Exceed PEO Ltd	386	248
Exceed Business Services Ltd	68	77
	<u>2,015</u>	<u>1,805</u>
	31.12.22	31.12.21
Administration	17	15
Contractors	1,998	1,790
	<u>2,015</u>	<u>1,805</u>

6. DIRECTORS' EMOLUMENTS

	31.12.22	31.12.21
	£	£
Directors' remuneration	164,327	144,210
Directors' pension contributions	8,000	8,000

There are no non-cash benefits in the year.

**Notes to the Consolidated Financial Statements – continued
for the Year Ended 31 December 2022**

7. OPERATING PROFIT/(LOSS)

The operating profit (2021 - operating loss) is stated after charging:

	31.12.22	31.12.21
	£	
Other operating leases	32,432	19,234
Depreciation - owned assets	4,659	3,410
	<hr/>	<hr/>

8. AUDITORS REMUNERATION

	31.12.22	31.12.21
	£	£
Auditors' remuneration	18,000	14,844
	<hr/>	<hr/>

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.22	31.12.21
	£	£
Deposit Account Interest	110	4,106
	<hr/>	<hr/>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.22	31.12.21
	£	£
Other Interest Paid	117	4
	<hr/>	<hr/>

11. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

	31.12.22	31.12.21
	£	£
Current tax:		
UK corporation tax Deferred tax	(2,787)	-
Tax on profit/(loss)	(27,224)	(23,462)
	<hr/>	<hr/>
	(30,011)	(23,462)
	<hr/>	<hr/>

UK corporation tax has been charged at 19% (2021 - 19%).

**Notes to the Consolidated Financial Statements – continued
for the Year Ended 31 December 2022**

11. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

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

	31.12.22	31.12.21
	£	£
Profit/(loss) before tax	6,124	(59,360)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021-19%)		
Effects of:	1,163	(11,278)
Expenses not deductible for tax purposes	2,673	733
Capital allowances in excess of depreciation	(2,787)	(2,386)
Utilisation of tax losses	2,787	12,931
Adjustments to tax charge in respect of previous periods	(6,623)	-
Deferred Tax charge for the period	(27,224)	(23,462)
Total tax credit	(30,011)	(23,462)

In 2023, corporation tax rates increased to 25% which may impact on these figures.

12. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

	31.12.22	31.12.21
	£	£
Profit/(Loss) for the year	27,017	(316,115)

13. DIVIDENDS

	31.12.22	31.12.21
	£	£
Ordinary shares of 1 each		
Final	-	16,000

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

14. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings £
COST	
At 1 January 2022	
and 31 December 2022	18,839
DEPRECIATION	
At 1 January 2022	6,846
Charge for year	4,659
At 31 December 2022	11,505
NET BOOK VALUE	
At 31 December 2022	7,334
At 31 December 2021	11,993

Company

	Fixtures and fittings £
COST	
At 1 January 2022	
and 31 December 2022	17,664
DEPRECIATION	
At 1 January 2022	6,420
Charge for year	4,365
At 31 December 2022	10,785
NET BOOK VALUE	
At 31 December 2022	6,879
At 31 December 2021	11,244

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

15. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 January 2022

and 31 December 2022

3

NET BOOK VALUE

At 31 December 2022

3

At 31 December 2021

3

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Exceed Business Services Limited

Registered office: Studio 3, Bridge Street Studios, 62 Bridge St, Manchester, M3 3BW

Nature of business: Business Services

	%
Class of shares:	holding
Ordinary	100.00

Exceed PEO Limited

Registered office: Studio 3, Bridge Street Studios, 62 Bridge St, Manchester, M3 3BW

Nature of business: Business Services

	%
Class of shares:	holding
Ordinary	100.00

Exceed Umbrella Limited

Registered office: Studio 3, Bridge Street Studios, 62 Bridge St, Manchester, M3 3BW

Nature of business: Business Services

	%
Class of shares:	holding
Ordinary	100.00

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

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Trade debtors	85,436	116,497	-	115
Amounts owed by group undertakings	-	-	156,049	31,008
Tax recoverable	2,676	-	6,511	-
Other debtors	54,040	1,974	-	-
VAT	-	-	8,137	2,533
Deferred tax asset	50,173	22,949	50,286	23,092
Prepayments and accrued income	762,624	763,794	27,216	17,402
	<u>954,949</u>	<u>905,214</u>	<u>248,199</u>	<u>74,150</u>

Deferred tax asset

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Accelerated capital allowances	(1,833)	(2,279)	(1,720)	(2,136)
Tax losses carried forward	52,006	25,228	52,006	25,228
	<u>50,173</u>	<u>22,949</u>	<u>50,286</u>	<u>23,092</u>

Amounts owed by group undertakings is an inter-company loan with no interest rate and are repayable on demand.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Trade creditors	24,913	28,587	9,423	16,666
Amounts owed to group undertakings	-	-	152,302	-
Social security and other taxes	1,384,933	1,425,431	2,515	4,672
VAT	1,542,021	1,348,245	-	-
Other creditors	117,717	123,657	2,776	933
Accruals and deferred income	1,105,449	845,683	25,158	28,960
	<u>4,175,033</u>	<u>3,771,604</u>	<u>192,174</u>	<u>51,231</u>

Amounts owed by group undertakings is an inter-company loan with no interest rate and are repayable on demand.

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

18. DEFERRED TAX

Group

	Deferred Tax £
Balance at 1 January 2022	(22,949)
Provided during the year	(446)
Losses Carried Forward	<u>(26,778)</u>
Balance at 31 December 2022	<u><u>(50,173)</u></u>

Company

	Deferred Tax £
Balance at 1 January 2022	(23,092)
Provided during the year	(417)
Losses Carried Forward	<u>(26,777)</u>
Balance at 31 December 2022	<u><u>(50,286)</u></u>

Deferred tax provisions relate to the timing differences from the differing accounting and tax treatment of certain assets which has resulted in capital allowances being claimed in advance of depreciation. Where tax losses are carried forward, a deferred tax asset is recognised for the losses that are expected to be realized

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.22 £	31.12.21 £
2,000	Ordinary	1	2,000	2,000
2,000	Office holder	1	2,000	2,000
			<u>4,000</u>	<u>4,000</u>

No shares were issued during the year.

Ordinary shares carry full voting rights.

Office holder shares are owned by the company, carry no voting rights and dividends are at the discretion of the ordinary shareholders.

**Notes to the Consolidated Financial Statements – continued
for the Year Ended 31 December 2022**

20. RESERVES

The profit and loss account represents accumulated profits and losses since corporation, net of dividends paid.

21. ULTIMATE CONTROLLING PARTY

At the year-end date M Parsons and B Mellor were deemed to be the ultimate controlling parties.

22. RELATED PARTIES

The group has taken advantage of the exemption to disclose related party transactions with its subsidiaries.

23. PENSION COSTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the fund and amounted to £519,018 (2021 - £411,781). Contributions totalling £114,272 (2021 - £91,515) were payable to the fund at the year end and are included in other creditors.

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.