

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2021
for
Exceed Umbrella Limited

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for the Year Ended 31 December 2021

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Exceed Umbrella Limited
Company Information
for the Year Ended 31 December 2021

DIRECTORS:

B Mellor
M Parsons

REGISTERED OFFICE:

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

REGISTERED NUMBER:

08684204 (England and Wales)

AUDITORS:

Hurst Accountants Limited
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD

Strategic Report
for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

After a successful 2020, we felt confident in the direction of the business and had forecast a successful year, with additional staff and a new office. The third national lockdown in January meant that our plans had to be delayed somewhat. Whilst the nation was working from home, there seemed to be a lot more contractors in work than during previous lockdowns, so the effects weren't quite as severe but still had a financial impact. The new off-payroll rules introduced to the private sector in April got us back in line with forecast however, as a large number of contractors, who had previously claimed to be self-employed, were looking for compliant umbrella providers. HMRC published guidance on what a good umbrella provider looked like at the end of April, which we were pleased to note that we already adhered to.

Once the wider economy started to slowly reopen during Q2, we decided to bring the staff that had reduced their hours at the start of the pandemic back to full time. We also started recruiting for multiple new apprentices across payroll, marketing and sales. We attempted to use the Government's Kickstart Scheme to recruit four additional customer service staff, but due to flaws in the scheme itself, we were unable to secure suitable candidates.

At the start of Q4, we finally moved to a new and much larger office. Whilst staff were still able to work either from home, in the office or a hybrid, we felt that it was the right time to invest. We also purchased new computers, monitors and other tech for all staff.

By December, our gross margin across all solutions had grown by circa 40%, putting us in a very strong position to continue our growth and expansion.

PRINCIPAL RISKS AND UNCERTAINTIES

The company finances its operations through retained profits, 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 bank accounts, limiting exposure to price risk.

The company'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.

Strategic Report
for the Year Ended 31 December 2021

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 runs 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 in 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.

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 other Government bodies, ensuring we maintain a compliant and transparent relationship at all times

Strategic Report
for the Year Ended 31 December 2021

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.

ON BEHALF OF THE BOARD:

Director

27 September 2022

Report of the Directors
for the Year Ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £100,000 per share.

The total distribution of dividends for the year ended 31 December 2021 will be £ 100,000 .

The total distribution of dividends for the year ended 31 December 2020 was £1,100,000

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

B Mellor
M Parsons

DISABLED EMPLOYEES

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

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

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

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.

Report of the Directors
for the Year Ended 31 December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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, 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

27 September 2022

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

Opinion

We have audited the financial statements of Exceed Umbrella Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other 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 2021 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.

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

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.

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 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.

Report of the Independent Auditors to the Members of
Exceed Umbrella 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.

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.

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.

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.

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

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

27 September 2022

Income Statement
for the Year Ended 31 December 2021

	Notes	31.12.21 £	31.12.20 £
TURNOVER	3	38,307,559	37,631,541
Cost of sales		<u>37,588,771</u>	<u>37,615,699</u>
GROSS PROFIT		718,788	15,842
Administrative expenses		<u>616,895</u>	<u>97,165</u>
		101,893	(81,323)
Other operating income	4	<u>11,841</u>	<u>835,362</u>
OPERATING PROFIT	6	113,734	754,039
Interest receivable and similar income	7	<u>4,067</u>	<u>226</u>
PROFIT BEFORE TAXATION		117,801	754,265
Tax on profit	8	<u>(24)</u>	<u>37</u>
PROFIT FOR THE FINANCIAL YEAR		<u>117,825</u>	<u>754,228</u>

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

Balance Sheet
31 December 2021

	Notes	31.12.21 £	£	31.12.20 £	£
FIXED ASSETS					
Tangible assets	10		68		195
CURRENT ASSETS					
Debtors	11	748,003		410,217	
Cash at bank		<u>2,363,785</u>		<u>3,981,708</u>	
		3,111,788		4,391,925	
CREDITORS					
Amounts falling due within one year	12	<u>3,077,382</u>		<u>4,375,447</u>	
NET CURRENT ASSETS			<u>34,406</u>		<u>16,478</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,474</u>		<u>16,673</u>
PROVISIONS FOR LIABILITIES	13		<u>13</u>		<u>37</u>
NET ASSETS			<u>34,461</u>		<u>16,636</u>
CAPITAL AND RESERVES					
Called up share capital	14		1		1
Retained earnings	15		<u>34,460</u>		<u>16,635</u>
SHAREHOLDERS' FUNDS			<u>34,461</u>		<u>16,636</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2022 and were signed on its behalf by:

M Parsons - Director

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	1	362,407	362,408
Changes in equity			
Dividends	-	(1,100,000)	(1,100,000)
Total comprehensive income	-	754,228	754,228
Balance at 31 December 2020	<u>1</u>	<u>16,635</u>	<u>16,636</u>
Changes in equity			
Dividends	-	(100,000)	(100,000)
Total comprehensive income	-	117,825	117,825
Balance at 31 December 2021	<u>1</u>	<u>34,460</u>	<u>34,461</u>

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

1. **STATUTORY INFORMATION**

Exceed Umbrella 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 on 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:

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Exceed Outsourcing Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

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

Now that the pandemic has been downgraded and risks are perceived to be significantly lower, the market is significantly more buoyant than in previous years. We have enjoyed continued growth since Q4 of 2020, and throughout 2021. Our 2022 forecast shows a slow start in Q1, but with significant growth as the year progresses. We intend to recruit additional sales and customer service staff, as well as increase our marketing spend, to attract and retain new business.

In April 2022, the Government will be increasing the Employers NI to 15.05%. This will have an impact on the rate required from agencies to employ workers at minimum wage. This may cause some issues, but with good communication with our clients, this should easily be mitigated.

In July 2022, a case in relation to holiday pay will be heard by the Supreme Court. This may have some impact on how we operate, but we have legal advisors on hand that will help ensure all changes that need to be made are in line with appropriate legislation.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Turnover

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

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Fixtures and fittings - 33% on cost

Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

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 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.

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.

Pension costs and other post-retirement benefits

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

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

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.

3. TURNOVER

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

All sales are made in the United Kingdom.

4. OTHER OPERATING INCOME

	31.12.21	31.12.20
	£	£
Management Charges	11,841	-
Government grants	-	835,362
	<u>11,841</u>	<u>835,362</u>

5. EMPLOYEES AND DIRECTORS

	31.12.21	31.12.20
	£	£
Wages and salaries	33,543,840	33,394,477
Social security costs	3,652,766	3,723,604
Other pension costs	392,165	373,403
	<u>37,588,771</u>	<u>37,491,484</u>

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

	31.12.21	31.12.20
Employees	<u>1,473</u>	<u>1,809</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

5. **EMPLOYEES AND DIRECTORS - continued**

	31.12.21	31.12.20
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

6. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.21	31.12.20
	£	£
Depreciation - owned assets	127	126
Auditors' remuneration	<u>-</u>	<u>6,996</u>

7. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	31.12.21	31.12.20
	£	£
Deposit account interest	<u>4,067</u>	<u>226</u>

8. **TAXATION**

Analysis of the tax (credit)/charge

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

	31.12.21	31.12.20
	£	£
Deferred tax	(24)	37
Tax on profit	<u>(24)</u>	<u>37</u>

Reconciliation of total tax (credit)/charge 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:

	31.12.21	31.12.20
	£	£
Profit before tax	<u>117,801</u>	<u>754,265</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	22,382	143,310
Effects of:		
Capital allowances in excess of depreciation	(24)	-
Depreciation in excess of capital allowances	-	37
Utilisation of tax losses	(22,358)	(143,347)
Deferred Tax Charge Advanced Capital Allowances	(24)	37
Total tax (credit)/charge	<u>(24)</u>	<u>37</u>

9. **DIVIDENDS**

A final dividend of £100,000 (2020 - £1,100,000) has been proposed by the Directors.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2021 and 31 December 2021	<u>384</u>
DEPRECIATION	
At 1 January 2021	189
Charge for year	<u>127</u>
At 31 December 2021	<u>316</u>
NET BOOK VALUE	
At 31 December 2021	<u>68</u>
At 31 December 2020	<u>195</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Trade debtors	82,042	74,041
Amounts owed by group undertakings	2,872	334,203
Other debtors	1,973	1,973
Prepayments	661,116	-
	<u>748,003</u>	<u>410,217</u>

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Trade creditors	8,564	3,789
Amounts owed to group undertakings	1,224	334,514
Social security and other taxes	1,133,191	850,901
VAT	1,123,231	3,017,912
Other creditors	72,557	-
Accruals and deferred income	738,615	168,331
	<u>3,077,382</u>	<u>4,375,447</u>

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

13. PROVISIONS FOR LIABILITIES

	31.12.21 £	31.12.20 £
Deferred tax		
Accelerated capital allowances	<u>13</u>	<u>37</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

13. PROVISIONS FOR LIABILITIES - continued

	Deferred tax
	£
Balance at 1 January 2021	37
Provided during year	(24)
Balance at 31 December 2021	<u>13</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.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.21	31.12.20
			£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

Each share has full rights in the company with respect to voting, dividends and distributions.

15. RESERVES

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

16. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemptions presented by FRS 102 by not disclosing related parties.

17. ULTIMATE CONTROLLING PARTY

The controlling party is Exceed Outsourcing Limited.

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

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.