

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2020
for
Exceed Umbrella Limited

Contents of the Financial Statements
for the Year Ended 31 December 2020

	Page
Company Information	1
Strategic Report	2
Report of the Directors	5
Report of the Independent Auditors	7
Income Statement	11
Other Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15

Exceed Umbrella Limited
Company Information
for the Year Ended 31 December 2020

DIRECTORS:	B Mellor M Parsons
REGISTERED OFFICE:	Office 2, 2nd Floor Parsonage Chambers 3 Parsonage Manchester Greater Manchester M3 2HW
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 2020

The directors present their strategic report for the year ended 31 December 2020.

REVIEW OF BUSINESS

For Exceed Umbrella, 2020 was a year of great highs and equally challenging lows. The year started strongly, with contractor numbers increasing month on month. We expanded our service offering by acquiring a book of business from Indigo Strategic, a UK payroll and HR bureau. We also acquired the international payroll clients of Payroll Services Limited. We invested in new systems and were ahead of forecast.

When the pandemic started to take hold and lockdowns initiated, this proved to be extremely challenging. We already had the infrastructure in place to enable our staff to work from home, but that wasn't true across all sectors. Existing contractors were unable to undertake their assignments in some instances and many recruitment agencies were struggling to place new candidates. This had a big impact on our revenue. We utilised the Government schemes available to businesses, such as the Coronavirus Job Retention Scheme, but unfortunately still needed to make a small number of redundancies. Fortunately, our staff were extremely flexible and offered to continue working reduced hours in order to cut our wages bill. We also took advantage of the VAT deferral scheme which has now all been repaid in full. This made a huge difference to us. We focused on efficiencies, cost cutting and where appropriate, increased margins.

In July, a Management Buyout was completed by Matthew Parsons and Barry Mellor. This led to change of focus and strategy, from merely survival to how we can thrive in this environment. We focused on our growth objectives whilst maintaining low costs, which saw a slow increase in revenue throughout Q3 and strong growth in Q4.

Overall, 2020 was a very unusual year, where we managed to achieve a good profit in a difficult situation.

We are in a very strong position now, and I firmly believe that 2021 will be an excellent year for Exceed Umbrella.

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.

The impact of the Covid-19 pandemic is far reaching across the economy and therefore, the demand for contractor placements has fallen. The impact of the pandemic has been taken into account in cashflow forecasts and rolling forecasts are maintained so that preventative actions can be taken should the pandemic further impact the Company's contractor numbers.

As the companies surplus funds are primarily invested in sterling bank accounts, this limits exposure to price risk.

The companies credit risk is primarily attributable to its trade debtors. It is the companies 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 2020

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 a strategy consulting firm who have undertaken surveys of our clients and 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 engage with our people through the following activities. Annual employee opinion survey, involving all staff in the development of our new vision and values, with engagement sessions held by the executive and senior management team, regular management briefings and presentations by the executive team to discuss performance against the new vision, values and strategic plan. Additionally, in the current year and the unprecedented times we have all faced, the Board 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 at all times.

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 and 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 the communities in which we operate through the following activities: On an annual basis our staff help to select a charity to support. This year, we are actively trying to help homeless and vulnerable people in Manchester.

The below shows the key events and decisions made by the Board during the year, the stakeholders they impacted and the associated actions taken by the directors to engage with the relevant stakeholders. Events are considered to be key if they are either material to the business or have a significant impact on one or more category of stakeholder.

Strategic Report
for the Year Ended 31 December 2020

Restructuring and furlough

Affecting - employees

The Executive and Senior Management Teams worked in consultation with HR to agree the size, scope and approach of the proposed restructuring. Legal advice was taken where needed to ensure all laws and regulations set by HMRC were met and that we had documented the advice appropriately. Affected employees were given notice of redundancy and given the opportunity to raise any questions regarding the process. Affected employees were informed and agreed to be furloughed and were given opportunity to raise any questions regarding the process. We communicated to all employees on a regular basis regarding the furlough of employees and the restructuring process.

ON BEHALF OF THE BOARD:

M Parsons - Director

30 September 2021

Report of the Directors
for the Year Ended 31 December 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

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 £1,100,000 per share.

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

FUTURE DEVELOPMENTS

So far, 2021 is looking even more positive. We were achieving pre-pandemic revenue levels in Q1 and are continuing to grow. We intend to recruit additional staff by utilising the Government's Kickstart Scheme, as well as taking advantage of the Apprenticeship Scheme for both new and existing staff. We will undoubtedly require a new office in 2021, as we are quickly outgrowing our current property.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 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 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 companies 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

The Directors have a very open communication policy with our staff, trying to involve and inform them at every stage. During FY2020, the Directors and Senior Managers met each month to discuss all aspects of business with the outcome of these meetings were taken forward to the board and decisions made. These decisions were then cascaded back to staff, so they were fully abreast of the strategy and direction.

When COVID hit in FY2020, we were extremely honest with the staff about the impacts and the decisions we were going to have to take. They have shown their loyalty and dedication by remaining as flexible as possible in order to help us through this difficult period. We are currently discussing a share scheme for staff, to compensate them for any hardships suffered over the last 6 months. Staff morale is high and we are pulling together as a team.

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.

Report of the Directors
for the Year Ended 31 December 2020

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, Hurst Accountants Limited, who were appointed after the year end, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

M Parsons - Director

30 September 2021

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 2020 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 2020 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 page 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:

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

30 September 2021

Income Statement
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
TURNOVER	3	37,631,541	37,644,118
Cost of sales		<u>37,615,699</u>	<u>36,850,887</u>
GROSS PROFIT		15,842	793,231
Administrative expenses		<u>97,165</u> (81,323)	<u>425,380</u> 367,851
Other operating income	4	<u>835,362</u>	-
OPERATING PROFIT	6	<u>754,039</u>	<u>367,851</u>
Interest receivable and similar income	7	<u>226</u>	<u>56</u>
PROFIT BEFORE TAXATION		<u>754,265</u>	<u>367,907</u>
Tax on profit	8	<u>37</u>	-
PROFIT FOR THE FINANCIAL YEAR		<u><u>754,228</u></u>	<u><u>367,907</u></u>

There are no recognised gains or losses other than those disclosed in the company's income statement.

Other Comprehensive Income
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
PROFIT FOR THE YEAR		754,228	367,907
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>754,228</u>	<u>367,907</u>

Balance Sheet
31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
FIXED ASSETS					
Tangible assets	10		195		321
CURRENT ASSETS					
Debtors	11	410,217		481,950	
Cash at bank		<u>3,981,708</u>		<u>2,685,268</u>	
		4,391,925		3,167,218	
CREDITORS					
Amounts falling due within one year	12	<u>4,375,447</u>		<u>2,805,131</u>	
NET CURRENT ASSETS			<u>16,478</u>		<u>362,087</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,673</u>		<u>362,408</u>
PROVISIONS FOR LIABILITIES	13		<u>37</u>		<u>-</u>
NET ASSETS			<u>16,636</u>		<u>362,408</u>
CAPITAL AND RESERVES					
Called up share capital	14		1		1
Retained earnings	15		<u>16,635</u>		<u>362,407</u>
SHAREHOLDERS' FUNDS			<u>16,636</u>		<u>362,408</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2021 and were signed on its behalf by:

M Parsons - Director

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	1	(5,500)	(5,499)
Changes in equity			
Total comprehensive income	-	367,907	367,907
Balance at 31 December 2019	<u>1</u>	<u>362,407</u>	<u>362,408</u>
Changes in equity			
Dividends	-	(1,100,000)	(1,100,000)
Total comprehensive income	-	754,228	754,228
Balance at 31 December 2020	<u><u>1</u></u>	<u><u>16,635</u></u>	<u><u>16,636</u></u>

Notes to the Financial Statements
for the Year Ended 31 December 2020

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 2020 and these financial statements may be obtained from Companies House.

Going concern

In common with virtually every other business in the country, the company experienced the effects of the Coronavirus pandemic. The Directors believe they took all possible steps to protect the company including accessing relevant Government assistance.

The company furloughed a number of staff to mitigate costs but quickly brought these employees back as economic activity returned. There was a reduction in sales during the pandemic, as a result of agency employees being the first staff members to be released by companies. These also quickly returned to work and the company returned to normal.

The directors note that the company had significant cash reserves as at the year end, retaining these as the year progressed. Based on their forecasts they expect the company to be able to meet all its cash flow requirements, as they fall due, with no recourse required for any additional third party funding.

At the time of signing these accounts the Directors are of the opinion that the company will remain viable for the foreseeable future and therefore these Financial Statements have been prepared on the Going Concern basis.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

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

Government grants in respect of the Coronavirus Job Retention Scheme are recognised within the Income Statement on an accruals basis.

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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

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

	31.12.20	31.12.19
	£	£
Government grants	<u>835,362</u>	<u>-</u>

5. EMPLOYEES AND DIRECTORS

	31.12.20	31.12.19
	£	£
Wages and salaries	33,394,477	33,014,273
Social security costs	3,723,604	3,593,302
Other pension costs	373,403	243,312
	<u>37,491,484</u>	<u>36,850,887</u>

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

	31.12.20	31.12.19
Employees	<u>1,809</u>	<u>817</u>

	31.12.20	31.12.19
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

6. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	126	63
Auditors' remuneration	<u>6,996</u>	<u>4,500</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.20	31.12.19
	£	£
Deposit account interest	<u>226</u>	<u>56</u>

8. TAXATION

Analysis of the tax charge

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

	31.12.20	31.12.19
	£	£
Deferred tax	37	-
Tax on profit	<u>37</u>	<u>-</u>

Reconciliation of total tax 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:

	31.12.20	31.12.19
	£	£
Profit before tax	<u>754,265</u>	<u>367,907</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	143,310	69,902
Effects of:		
Depreciation in excess of capital allowances	37	-
Utilisation of tax losses	(143,347)	(69,902)
Deferred Tax Charge Advanced Capital Allowances	37	-
Total tax charge	<u>37</u>	<u>-</u>

9. DIVIDENDS

A final dividend of £1,100,000 (2019 - £nil) has been proposed by the Directors.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2020 and 31 December 2020	<u>384</u>
DEPRECIATION	
At 1 January 2020	63
Charge for year	<u>126</u>
At 31 December 2020	<u>189</u>
NET BOOK VALUE	
At 31 December 2020	<u>195</u>
At 31 December 2019	<u>321</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade debtors	74,041	193,552
Amounts owed by group undertakings	334,203	286,425
Other debtors	<u>1,973</u>	<u>1,973</u>
	<u>410,217</u>	<u>481,950</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

	31.12.20 £	31.12.19 £
Trade creditors	3,789	201,688
Amounts owed to group undertakings	334,514	606
Social security and other taxes	850,901	985,885
VAT	3,017,912	1,270,000
Other creditors	-	330,399
Accruals and deferred income	<u>168,331</u>	<u>16,553</u>
	<u>4,375,447</u>	<u>2,805,131</u>

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

13. PROVISIONS FOR LIABILITIES

	31.12.20 £	31.12.19 £
Deferred tax		
Accelerated capital allowances	<u>37</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

13. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax
Provided during year	£
Balance at 31 December 2020	<u>37</u>
	<u>37</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:		Nominal value:	31.12.20 £	31.12.19 £
Number:	Class:			
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.