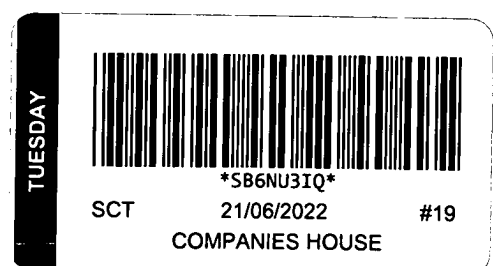


COMPANY REGISTRATION NUMBER:SC172127

**G.S. Associates (Scotland) Limited**  
**Financial Statements**  
**31 January 2022**



# **G.S. Associates (Scotland) Limited**

## **Financial Statements**

**Year ended 31 January 2022**

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# **G.S. Associates (Scotland) Limited**

## **Strategic Report**

**Year ended 31 January 2022**

### **Business Review**

GSA continues to be one of the leading providers of contract cleaning and support services throughout the UK providing retail, distribution & warehousing and corporate office cleaning.

We value our hands on management approach to service delivery and work closely with our clients continuously reviewing & aligning our service structure to support their needs.

### **COVID19 Impact**

The year to January 22 was impacted again by COVID in the first quarter with full business resuming by May 2021.

Covid has forced some clients to relook at cleaning requirements and we are working with them on daytime and/or total cleaning models.

Recruitment continues to be an issue, albeit improving month on month and we are seeing the same issue geographically like those prior to Covid.

### **Financial Performance**

Cleaning and support services has remained a strong sector and we have continued to improve profitability.

Turnover grew by 16.2% to £43.3m with gross profit stable and a slight improvement on operating profit as additional turnover was added with no further overheads required.

### **Contract Renewals & Organic Growth**

We continue to work with existing Clients on 'Total Clean' models offering additional add-on services and supplies.

There was a noticeable slowdown of tender opportunities throughout the period due to COVID and we are starting to re-engage with various prospective clients.

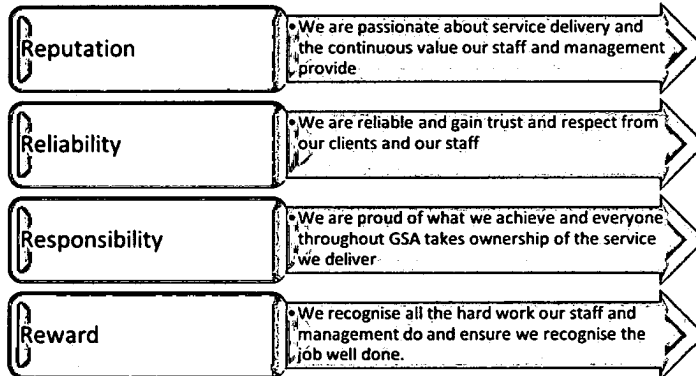
### **Promoting the success of the company - Section 172(1)**

The directors and senior managers continue to manage the business successfully and promote our '4 Rs' culture and have embarked on several projects throughout the year to actively improve and enhance stakeholder engagement.

## G.S. Associates (Scotland) Limited

### Strategic Report

Year ended 31 January 2022



#### Our Employees

We continue to drive our strategic vision for our people during 2022 reviewing policy development and implementation, recruitment, reward, employee relations, engagement, performance, succession planning, learning & development, and talent mapping.

The directors and senior managers are very much committed to championing change by driving continuous development of our people and culture that supports business growth.

# **G.S. Associates (Scotland) Limited**

## **Strategic Report *(continued)***

### **Year ended 31 January 2022**

Rollout of our new Employee APP is ongoing and is being well received bringing several benefits to our employees including:

- Real time monitoring of pay
- Instantly access, track, save and manage earned wages.
- Online learning & development platform
- Access to helpful resource & guidance

#### **Our Customers**

Our continuous improvement philosophy with our clients means that we are always looking at new ways of working and how we can deliver a best-in-class service.

Sustainable cleaning is one of the areas we are working closely with our clients. Trialling equipment & chemicals in various areas to gain best results.

We continue to build on our training and development and focusing now on 'customer' experience driving visibility on expectations.

#### **Our Community**

We believe that it is our duty to support, strengthen, and nurture resilience across our community which we see as encompassing our team, our clients, our suppliers and the community at large in the areas that we serve.

In pursuit of this, we have extended our support to a number of social enterprise agencies (for example Social Bite and Wise Group) that provide employment and training opportunities to disadvantaged groups. The business also recruited our first head office Modern Apprentice to provide opportunities for young people in our local area.

Charitable donations were made in support of Children in Need, MacMillan Cancer Research, Movember and Breast Cancer Aware through direct support and GSA team engagement. Indirectly, we have supported the charitable endeavours of many of our clients.

#### **Our Planet**

GSA recognises that our activities have an environmental impact, and we therefore seek to minimise this as far as is reasonably practicable and environmentally sensible. Working in partnership with our many of our clients, and in support of their own sustainability ambitions, we have successfully delivered eco-friendly product trials across client sites, which we will see extend across site estates and client groups in the coming year.

The switch to hybrid vehicles for our field-based team has delivered excellent carbon savings for our business, with a phased replacement planned for the remaining 15% of company vehicles in place.

Other sustainability projects include the successful reaccreditation for ISO14001, ISO 9001, ISO45001 which forms the framework for our EMS used to ensure our business operations are sustainable.

The company also achieved a Bronze rating in our first EcoVadis sustainability assessment.

#### **Stakeholder Communication**

The business is committed to providing regular, relevant, and informative updates to our ethnically diverse team. We work hard to ensure that all communications across training, recruitment and HR take cognisance of our multi-cultural workforce. In our broader staff engagement, we endeavour to also celebrate the diversity of our team and to instil a culture of inclusivity and understanding across our business.

Improvements to key client account management and reporting have been welcomed by our clients

# **G.S. Associates (Scotland) Limited**

## **Strategic Report *(continued)***

**Year ended 31 January 2022**

and we will build upon this in the year ahead.

Wider communications, in support of business development efforts continue to improve awareness of GSA's products and services across our digital channels. In response to recruitment challenges, the business has successfully extended our recruitment strategy to include Google and social media advertising campaigns.

### **The Year Ahead**

The year continues to look promising as business in this space has returned to normal. Focus is very much on cleaning so whilst there will be investment in some additional areas, our clients will be striving for best value more than ever.

### **Risks & Uncertainties**

#### **Russia-Ukraine Conflict**

As the conflict progresses, we will no doubt see further difficulties faced in the UK economy.

Rising energy and fuel prices and bottlenecks in supply chains will hugely impact the retail industry. Increasing inflation & rising cost of living will undoubtedly impact labour resource as pay rates are constantly challenged.

We will work with our clients through these challenges finding the best solution for the specific circumstances we face.

#### **COVID19**

COVID19 still poses a potential threat to Retail and no doubt will continue to do so. We will continue to work closely with our clients and constantly assessing our position.

#### **Availability of staff**

There has been noticeable shortage of suitable applicants which is a culmination of several factors:

1. The job market is flooded with more 'attractive' and/or higher paid jobs
2. Brexit and/or pandemic travel restrictions had an impact on the availability of migrant workers particularly from the EU
3. Trying to keep jobs attractive as pressure continues due to pay rises falling behind inflation

This report was approved by the board of directors on 8 June 2022 and signed on behalf of the board by:



**Mrs L Laird**  
**Director**

**Registered office:**  
Westway  
Portfield Road  
Renfrew

# **G.S. Associates (Scotland) Limited**

## **Directors' Report**

**Year ended 31 January 2022**

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

### **Directors**

The directors who served the company during the year were as follows:

Mrs G Fleming	
Mr D Cumming	
Mrs L Laird	
Ms L Murphy	(Appointed 23 August 2021)
Mr G Strachan	(Appointed 23 August 2021)

### **Dividends**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

### **Greenhouse gas emissions and energy consumption**

#### *Methodologies for energy and emissions calculations*

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we are pleased to share this short report to provide some insights on GSA's environmental goals and progress.

It can be viewed as a summary of our sustainability performance, 2018-2021; across HQ operations, field-based teams, and client site activity.

As a business, we are committed to a programme of continuous, measurable improvements across all areas of our operation. To deliver our environmental goals of carbon reduction and improved sustainability, our team reviewed opportunities encompassing

- Operational efficiencies
- Innovation
- Partnership working with our supplier network

We are delighted with our progress in the last couple of years and several positive changes are now embedded within our processes, products, and service delivery, each delivering positive environmental impacts across all areas of our business. And our journey continues, with more initiatives planned for this year and beyond.

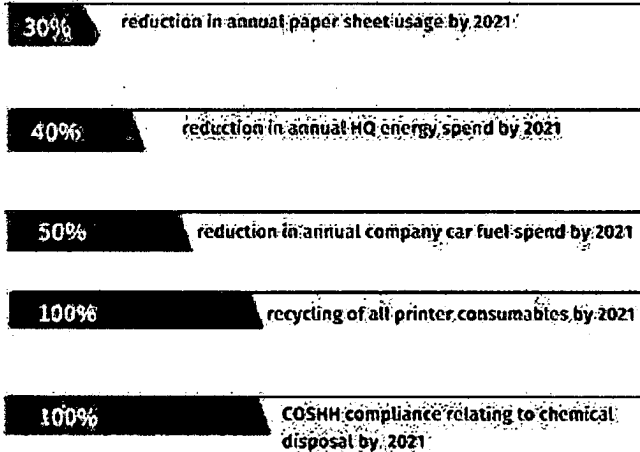
# **G.S. Associates (Scotland) Limited**

## **Directors' Report**

**Year ended 31 January 2022**

### **Environmental Targets 2018-2021**

#### **KPI Targets**



#### **Performance 2018-2021**

As at January 2022, we are pleased to report that we reached or exceeded our environmental targets for 2018-2021 across four of the five performance areas namely, paper usage reduction, company fleet fuel use, recycling of consumables, and COSHH compliance. We did not reach our ambitious reduction in HQ energy spend, and are currently reviewing our energy use and strategy to set more achievable target for 2022 and beyond.

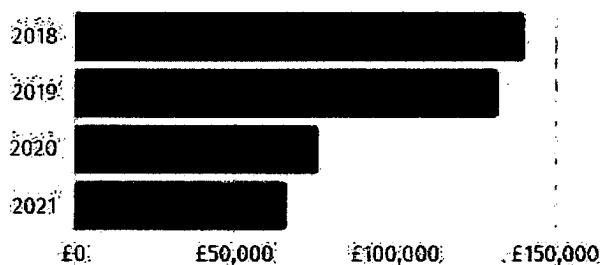
## G.S. Associates (Scotland) Limited

### Directors' Report *(continued)*

Year ended 31 January 2022

#### Annual Fuel Spend (Company Fleet)

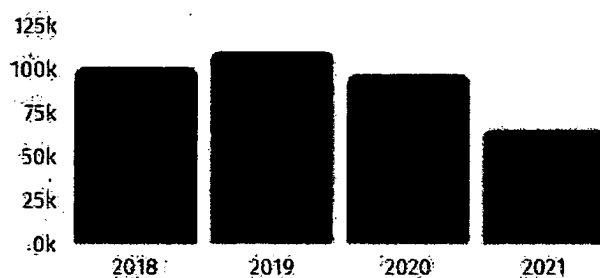
##### ANNUAL FUEL SPEND (COMPANY FLEET)



An impressive 53% reduction in fuel spend for company fleet, 2018-2021.

#### Annual no. of Litres used (Company Fleet)

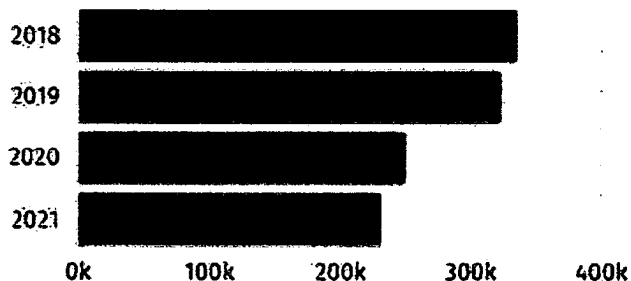
##### ANNUAL NO. OF LITRES USED (COMPANY FLEET)



In 2021, the business used 36,000 fewer litres of diesel/petrol compared to 2018 usage, (35% reduction)

#### Annual Paper Sheet Use

##### ANNUAL PAPER SHEET USE



Positive reduction of 31% in paper sheet usage, 2018-2021

- Other key environmental metrics/initiatives

## **G.S. Associates (Scotland) Limited**

### **Directors' Report *(continued)***

#### **Year ended 31 January 2022**

- Successful reaccreditation for ISO14001, ISO 9001, ISO45001 which forms the framework for our EMS used to ensure our business operations are sustainable.
- GSA is a signatory of the UN Global Compact.
- Achieved a Bronze rating in our first EcoVadis sustainability assessment.
- 100% of all printer consumables recycled since 2018.
- Recycling bins, for the segregation of waste, installed across HQ.
- Eco cleaning product trials are underway at GSA HQ and several client sites.
- The development and use of digital business process templates across all business functions continues (Over 75 digital templates in use in 2021; compared to 5 in 2018).
- Positive impacts from ongoing Go Digital strategy encouraging electronic doc sharing, Teams meetings and online learning.
- Sustainable procurement process for stationery, office equipment and consumables.

#### **Environmental Compliance**



**including the safe disposal of chemicals**



**Government's mandatory ESOS accreditation**



**Legislative changes across all operating jurisdictions**

# **G.S. Associates (Scotland) Limited**

## **Directors' Report** *(continued)*

**Year ended 31 January 2022**

### **Environmental Sustainability 2022 & beyond**

We have several plans for sustainability.

- Extend the use of environmentally friendly cleaning products to our wider client base, to support greater environmental impact.
- Work in conjunction with our clients, to consider recycled/recyclable consumables and machinery.
- Two electric vehicles on order to trial ahead of lease renewal for current hybrid fleet cars/remaining fossil fuel cars.
- Company-wide rollout of employee mobile app to replace all possible paper-based processes.
- Introduction of an online training platform to reduce travel/carbon footprint of training team and other staff members.
- Appointment of GSA Energy Champions to further embed energy and efficiency policies within and across the business.
- Undertake review of environmental impact of purchasing/procurement policies.

# G.S. Associates (Scotland) Limited

## Directors' Report *(continued)*

Year ended 31 January 2022

### Data Tables - Total energy consumption

Fuel Type	2018(litres)	2018(KWH)	2018(Co2)
Diesel 10 KWH per Litres	87,518	959,200	242,677
Unleaded Petrol (13.1. KWH)	14,557	139,892	33,993
<b>Total</b>	<b>102,075</b>	<b>1,099,092</b>	<b>276,671</b>
Head Office Electric (0.233kg) per KWH		46,874	24,499
Head Office Gas (0.185kg) per KWH		19,537	3,592
Total kgCo2e		1,165,504	304,763
Intensity ration per £m turnover		£19.1	0.016
<b>Fuel Type</b>	<b>2019(litres)</b>	<b>2019(KWH)</b>	<b>2019(Co2)</b>
Diesel 10 KWH per Litres	83,999	920,629	232,919
Unleaded Petrol (13.1. KWH)	26,721	256,788	63,128
<b>Total</b>	<b>110,720</b>	<b>1,177,417</b>	<b>296,047</b>
Head Office Electric (0.233kg) per KWH		47,969	26,095
Head Office Gas (0.185kg) per KWH		19,823	3,647
Total kgCo2e		1,143,594	325,790
Intensity ration per £m turnover		£27.2	0.012
<b>Fuel Type</b>	<b>2020(litres)</b>	<b>2020(KWH)</b>	<b>2020(Co2)</b>
Diesel 10 KWH per Litres	75,847	831,285	210,315
Unleaded Petrol (13.1. KWH)	25,444	244,516	59,417
<b>Total</b>	<b>101,291</b>	<b>1,075,802</b>	<b>269,732</b>
Head Office Electric (0.233kg) per KWH		46,898	25,512
Head Office Gas (0.185kg) per KWH		20,157	3,708
Total kgCo2e		1,142,857	298,954
Intensity ration per £m turnover		£36.2	0.008
<b>Fuel Type</b>	<b>2021(litres)</b>	<b>2021(KWH)</b>	<b>2021(Co2)</b>
Diesel 10 KWH per Litres	6,618	72,543	1,835
Unleaded Petrol (13.1. KWH)	46,901	450,722	109,525
<b>Total</b>	<b>53,520</b>	<b>523,265</b>	<b>111,360</b>
Head Office Electric (0.233kg) per KWH		46,165	25,113
Head Office Gas (0.185kg) per KWH		21,275	5,893
Total kgCo2e		590,705	142,367
Intensity ration per £m turnover		£37.1	0.004

### Basis of calculations

Company vehicle fuel usage in litres was gathered for each financial year (from fuel cards). This was converted into kWh to provide consumption data.

Gas & Electricity kWh data was gathered from utility bills to provide annual energy consumption

Emissions have been assessed in accordance with HM Government's 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', March 2019 update.

To calculate emissions, the '2020 UK Government GHG Conversion Factors for Company Reporting' have been used.

### Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

# **G.S. Associates (Scotland) Limited**

## **Directors' Report** *(continued)*

**Year ended 31 January 2022**

### **Employee involvement**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. mpany through participation in share option schemes.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:


- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# **G.S. Associates (Scotland) Limited**

## **Directors' Report** *(continued)*

**Year ended 31 January 2022**

This report was approved by the board of directors on 8 June 2022 and signed on behalf of the board by:



Mrs L Laird  
Director

Registered office:  
Westway  
Portfield Road  
Renfrew

## **G.S. Associates (Scotland) Limited**

### **Independent Auditor's Report to the Members of G.S. Associates (Scotland) Limited**

**Year ended 31 January 2022**

#### **Opinion**

We have audited the financial statements of G.S. Associates (Scotland) Limited (the 'company') for the year ended 31 January 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 FRS 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 January 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **G.S. Associates (Scotland) Limited**

### **Independent Auditor's Report to the Members of G.S. Associates (Scotland) Limited *(continued)***

**Year ended 31 January 2022**

#### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement, 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 is 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.

## **G.S. Associates (Scotland) Limited**

### **Independent Auditor's Report to the Members of G.S. Associates (Scotland) Limited** *(continued)*

**Year ended 31 January 2022**

#### **Auditor's 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 an auditor's report 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:

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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

The nature of the company and the industry, control environment and business performance and our enquiries of management about their identification and assessment of the risks of irregularities.

Based on our understanding of the company and the industry we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to: Regulations and legislation pertinent to the company's industry operations and UK tax and Employment legislation.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls) and determined that the principal risks were related to: Posting inappropriate journals to increase revenue and management bias in the accounting estimates.

#### **Audit Response to the risks identified**

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

Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates; Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; Inquiring of management concerning actual and potential litigation and claims; In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating 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.

# **G.S. Associates (Scotland) Limited**

## **Independent Auditor's Report to the Members of G.S. Associates (Scotland) Limited** *(continued)*

**Year ended 31 January 2022**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **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 an auditor's report 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.



Alan Woods (Senior Statutory Auditor)

For and on behalf of  
Gilliland & Company  
Chartered accountants & statutory auditor  
216 West George Street  
Glasgow  
G2 2PQ

8 June 2022

# **G.S. Associates (Scotland) Limited**

## **Statement of Comprehensive Income**

**Year ended 31 January 2022**

	Note	2022 £	2021 £
<b>Turnover</b>	<b>4</b>	<b>43,357,407</b>	37,292,949
Cost of sales		<u>34,856,070</u>	<u>33,694,151</u>
<b>Gross profit</b>		<b>8,501,337</b>	3,598,798
Administrative expenses		<u>5,707,865</u>	5,317,924
Other operating income	<b>5</b>	<u>1,064,532</u>	3,927,211
<b>Operating profit</b>	<b>6</b>	<b>3,858,004</b>	2,208,085
Interest payable and similar expenses	<b>10</b>	<u>24,255</u>	<u>23,495</u>
<b>Profit before taxation</b>		<b>3,833,749</b>	2,184,590
Tax on profit	<b>11</b>	<u>686,788</u>	422,754
<b>Profit for the financial year and total comprehensive income</b>		<b><u>3,146,961</u></b>	<u>1,761,836</u>

All the activities of the company are from continuing operations.

The notes on pages 21 to 29 form part of these financial statements.

# G.S. Associates (Scotland) Limited

## Statement of Financial Position

31 January 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	786,614	591,559
<b>Current assets</b>			
Stocks	14	315,770	551,969
Debtors	15	12,968,053	8,031,382
Cash at bank and in hand		1,637,556	3,560,748
		<u>14,921,379</u>	<u>12,144,099</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>6,498,984</u>	<u>6,766,400</u>
<b>Net current assets</b>		<u>8,422,395</u>	<u>5,377,699</u>
<b>Total assets less current liabilities</b>		<u>9,209,009</u>	<u>5,969,258</u>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>270,355</u>	<u>—</u>
<b>Net assets</b>		<u>8,938,654</u>	<u>5,969,258</u>
<b>Capital and reserves</b>			
Called up share capital	23	111	100
Other reserves, including the fair value reserve	24	176,430	—
Profit and loss account	24	8,762,113	5,969,158
<b>Shareholders funds</b>		<u>8,938,654</u>	<u>5,969,258</u>

These financial statements were approved by the board of directors and authorised for issue on 8 June 2022; and are signed on behalf of the board by:



Mrs L Laird  
Director

Company registration number: SC172127

The notes on pages 21 to 29 form part of these financial statements.

# G.S. Associates (Scotland) Limited

## Statement of Changes in Equity

Year ended 31 January 2022

		Called up share capital £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
<b>At 1 February 2020</b>		100	–	4,423,750	4,423,850
Profit for the year		—	—	1,761,836	1,761,836
<b>Total comprehensive income for the year</b>		—	—	1,761,836	1,761,836
Dividends paid and payable	12	—	—	(216,428)	(216,428)
<b>Total investments by and distributions to owners</b>		—	—	(216,428)	(216,428)
<b>At 31 January 2021</b>		100	–	5,969,158	5,969,258
Profit for the year		—	—	3,146,961	3,146,961
<b>Total comprehensive income for the year</b>		—	—	3,146,961	3,146,961
Issue of shares		11	—	—	11
Dividends paid and payable	12	—	—	(354,006)	(354,006)
Equity-settled share-based payments		—	176,430	—	176,430
<b>Total investments by and distributions to owners</b>		11	176,430	(354,006)	(177,565)
<b>At 31 January 2022</b>		111	176,430	8,762,113	8,938,654

The notes on pages 21 to 29 form part of these financial statements.

# G.S. Associates (Scotland) Limited

## Statement of Cash Flows

Year ended 31 January 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,146,961	1,761,836
<i>Adjustments for:</i>		
Depreciation of tangible assets	652,105	407,023
Government grant income	(1,064,532)	(3,927,211)
Interest payable and similar expenses	24,255	23,495
Equity-settled share-based payments	176,430	–
Tax on profit	612,193	454,365
Accrued expenses	405,729	1,355,729
<i>Changes in:</i>		
Stocks	236,199	337,011
Trade and other debtors	(4,936,671)	328,593
Trade and other creditors	(949,313)	1,290,894
Cash generated from operations	(1,696,644)	2,031,735
Interest paid	(24,255)	(23,495)
Tax paid	(576,562)	(148,706)
Net cash (used in)/from operating activities	<u>(2,297,461)</u>	<u>1,859,534</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(847,160)	–
Net cash used in investing activities	<u>(847,160)</u>	<u>–</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	11	–
Government grant income	1,064,532	3,927,211
Payments of finance lease liabilities	510,892	(35,126)
Dividends paid	(354,006)	(216,428)
Net cash from financing activities	<u>1,221,429</u>	<u>3,675,657</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,923,192)</b>	<b>5,535,191</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,560,748</b>	<b>(1,974,443)</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>1,637,556</u></b>	<b><u>3,560,748</u></b>

The notes on pages 21 to 29 form part of these financial statements.

# **G.S. Associates (Scotland) Limited**

## **Notes to the Financial Statements**

**Year ended 31 January 2022**

### **1. General information**

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Westway, Portfield Road, Renfrew.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

#### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change of value.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## **G.S. Associates (Scotland) Limited**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 January 2022**

#### **3. Accounting policies *(continued)***

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value, at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	- 20% straight line
Plant and machinery	- 20% straight line
Fixtures and fittings	- 25% reducing balance
Office equipment	- 33% straight line
Leased equipment	- 20% straight line

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

# **G.S. Associates (Scotland) Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 January 2022**

### **3. Accounting policies *(continued)***

#### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### **Government grants**

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **Share-based payments**

The company issues equity-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant.

Fair value is measured after taking appropriate professional advice.

### **4. Turnover**

Turnover arises from:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rendering of services	<b><u>43,357,407</u></b>	<b><u>37,292,949</u></b>

# G.S. Associates (Scotland) Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 January 2022**

### 4. Turnover *(continued)*

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 5. Other operating income

	2022 £	2021 £
Government grant income	<u>1,064,532</u>	<u>3,927,211</u>

### 6. Operating profit

Operating profit or loss is stated after charging:

	2022 £	2021 £
Depreciation of tangible assets	652,105	407,022
Equity-settled share-based payments expense	<u>176,430</u>	<u>—</u>

### 7. Auditor's remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>15,943</u>	<u>15,225</u>

### 8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2022 No.	2021 No.
Management staff	73	72
Number of cleaners	<u>3,163</u>	<u>3,254</u>
	<u>3,236</u>	<u>3,326</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022 £	2021 £
Wages and salaries	34,444,329	33,372,454
Social security costs	1,320,301	1,148,395
Other pension costs	<u>337,446</u>	<u>314,731</u>
	<u>36,102,076</u>	<u>34,835,580</u>

### 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022 £	2021 £
Remuneration	<u>247,423</u>	<u>140,489</u>

# G.S. Associates (Scotland) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2022

### 9. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2022 £	2021 £
Aggregate remuneration	<u>97,500</u>	<u>75,000</u>

### 10. Interest payable and similar expenses

	2022 £	2021 £
Interest on banks loans and overdrafts	–	(1,906)
Interest on obligations under finance leases and hire purchase contracts	23,917	6,725
Other interest payable and similar charges	<u>338</u>	<u>18,676</u>
	<u>24,255</u>	<u>23,495</u>

### 11. Tax on profit

#### Major components of tax expense

	2022 £	2021 £
<b>Current tax:</b>		
UK current tax expense	612,193	454,365
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>74,595</u>	<u>(31,611)</u>
<b>Tax on profit</b>	<u>686,788</u>	<u>422,754</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	<u>3,833,749</u>	<u>2,184,590</u>
Profit on ordinary activities by rate of tax	728,413	415,072
Effect of expenses not deductible for tax purposes	<u>(41,625)</u>	<u>7,682</u>
<b>Tax on profit</b>	<u>686,788</u>	<u>422,754</u>

### 12. Dividends

	2022 £	2021 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>354,006</u>	<u>216,429</u>

# G.S. Associates (Scotland) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2022

### 13. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Equipment £	Leased equipment £	Total £
<b>Cost</b>						
At 1 Feb 2021	64,333	8,951,944	215,885	48,264	555,495	9,835,921
Additions	—	847,160	—	—	—	847,160
<b>At 31 Jan 2022</b>	<u>64,333</u>	<u>9,799,104</u>	<u>215,885</u>	<u>48,264</u>	<u>555,495</u>	<u>10,683,081</u>
<b>Depreciation</b>						
At 1 Feb 2021	64,333	8,572,622	209,495	48,264	349,648	9,244,362
Charge for the year	—	444,661	1,597	—	205,847	652,105
<b>At 31 Jan 2022</b>	<u>64,333</u>	<u>9,017,283</u>	<u>211,092</u>	<u>48,264</u>	<u>555,495</u>	<u>9,896,467</u>
<b>Carrying amount</b>						
<b>At 31 Jan 2022</b>	<u>—</u>	<u>781,821</u>	<u>4,793</u>	<u>—</u>	<u>—</u>	<u>786,614</u>
At 31 Jan 2021	<u>—</u>	<u>379,322</u>	<u>6,390</u>	<u>—</u>	<u>205,847</u>	<u>591,559</u>

### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
<b>At 31 January 2022</b>	<u>599,101</u>
At 31 January 2021	<u>50,167</u>

### 14. Stocks

	2022 £	2021 £
Raw materials and consumables	<u>315,770</u>	<u>551,969</u>

### 15. Debtors

	2022 £	2021 £
Trade debtors	12,619,601	7,074,328
Deferred tax asset	26,448	101,043
Prepayments and accrued income	269,813	89,010
Other debtors	52,191	767,001
	<u>12,968,053</u>	<u>8,031,382</u>

The company has a debt factoring agreement in place and the full balance of trade debtors have been factored at the year-end. The balance included within bank balances from the invoice factoring amounts to £1,184,344 as at 31st January 2022.

# G.S. Associates (Scotland) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2022

### 16. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	562,327	264,980
Accruals and deferred income	3,163,074	2,757,345
Corporation tax	612,193	576,562
Social security and other taxes	1,911,831	3,158,491
Obligations under finance leases and hire purchase contracts	249,559	9,022
	<u>6,498,984</u>	<u>6,766,400</u>

Bank borrowings are secured by a bond and floating charge over all of the assets of the company.

Obligations under hire purchase contracts are secured by related assets:

### 17. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Obligations under finance leases and hire purchase contracts	<u>270,355</u>	<u>-</u>

### 18. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2022	2021
	£	£
Not later than 1 year	249,559	9,022
Later than 1 year and not later than 5 years	<u>270,355</u>	<u>-</u>
	<u>519,914</u>	<u>9,022</u>

### 19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022	2021
	£	£
Included in debtors (note 15)	<u>26,448</u>	<u>101,043</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022	2021
	£	£
Accelerated capital allowances	<u>(26,449)</u>	<u>(101,043)</u>

### 20. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £337,446 (2021: £314,731).

# G.S. Associates (Scotland) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2022

### 21. Share-based payments

The total expense recognised in profit or loss for the year is as follows:

	2022	2021
	£	£
Equity-settled share-based payments	<u>176,430</u>	<u>-</u>

During the year equity settled share-based payments were made to 3 directors by issue of 556 Ordinary A shares of £0.01, 278 Ordinary B shares of £0.01 and 278 Ordinary C shares of £0.01 each.

### 22. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>1,064,532</u>	<u>3,927,211</u>

### 23. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.01 each	10,000	100	10,000	100
Ordinary A shares of £0.01 each	556	6	-	-
Ordinary B shares of £0.01 each	278	3	-	-
Ordinary C shares of £0.01 each	278	3	-	-
	<u>11,112</u>	<u>111</u>	<u>10,000</u>	<u>100</u>

### 24. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Other reserve - This reserve records equity settled share based payments.

### 25. Analysis of changes in net debt

	At 1 Feb 2021	Cash flows	At 31 Jan 2022
	£	£	£
Cash at bank and in hand	3,560,748	(1,923,192)	<u>1,637,556</u>
Debt due within one year	(9,022)	(240,537)	<u>(249,559)</u>
Debt due after one year	-	(270,355)	<u>(270,355)</u>
	<u>3,551,726</u>	<u>(2,434,084)</u>	<u>1,117,642</u>

## **G.S. Associates (Scotland) Limited**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 January 2022**

#### **26. Operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b><u>36,768</u></b>	<b><u>6,968</u></b>