

Team Support Staff Limited

Registered number: SC361421

Annual Report

For the year ended 30 June 2020



TEAM SUPPORT STAFF LIMITED

COMPANY INFORMATION

Director	G J Taylor
Registered number	SC361421
Registered office	C/o Mazars LLP Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD
Bankers	Santander UK plc 2 Triton Square Regent's Place London NW1 3AN

TEAM SUPPORT STAFF LIMITED

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TEAM SUPPORT STAFF LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2020

Introduction

The director presents his Strategic Report for Team Support Staff Limited for the year ended 30 June 2020.

Business review

The company's principal activity is that of recruitment consultancy.

Principal risks and uncertainties

Management continually monitor the key risks facing the company together with assessing the controls used for managing these risks. The principal risks and uncertainties facing the company are as follows:

1) economic downturn - the company's business depends on recruitment and so the company's revenue is likely to be directly affected by trends in that industry. Management continue to analyse trends in the market closely and diversify the client base of the business whilst developing new solutions that they expect to generate revenues in a weaker market.

2) competitor pressure - the market in which the company operates is considered to be relatively competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk by providing a quality service and maintaining strong relationships with its key customers.

3) loss of key personnel - this would present significant operational difficulties for the company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

4) Brexit - although the director does not believe that Brexit will have a major impact on the company's operations, there continues to be uncertainty regarding the impact of Brexit on the wider economy and it is therefore not currently possible to evaluate all of the potential implications. The director will continue to monitor the latest developments as the situation unfolds.

5) COVID-19 - since early January 2020, the COVID-19 outbreak has spread across mainland China and beyond, causing disruption to business and economic activity. Further information regarding the impact of COVID-19 on the company is provided in note 2.1 of the financial statements.

Financial key performance indicators

The company has key financial performance indicators surrounding revenues and gross margin. Turnover for the year amounted to £8.4m (2019 - £11.4m). The gross margin for 2020 is 18.7% compared to 20.4% in the prior year. The company generated a loss before tax of £168k (2019 - profit of £45k) and had a surplus on its Statement of Financial Position at the year end of £25k (2019 - £189k).

Other key performance indicators

The company's average number of employees is 138 (2019 - 166).

This report was approved by the board on Jun 17, 2021

and signed on its behalf.


G Taylor [Jun 17, 2021 13:20 GMT+1]

G J Taylor
Director

TEAM SUPPORT STAFF LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2020

The director presents his report and the financial statements for the year ended 30 June 2020.

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The loss for the year, after taxation, amounted to £151,008 (2019 - profit £35,912).

Particulars of dividends paid are detailed in note 13 to the financial statements.

Director

The director who served during the year was:

G J Taylor

Future developments

The company will continually look for growth opportunities and remain flexible and innovative to meet future customer demands.

TEAM SUPPORT STAFF LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Disclosure of information to auditor

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.


Matters covered in the Strategic Report

Principal activities, a review of the business, principal risks and uncertainties and financial key performance indicators are given in the Strategic Report on page 1.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on Jun 17, 2021 and signed on its behalf.


G Taylor (Jun 17, 2021 13:20 GMT+1)

G J Taylor
Director

TEAM SUPPORT STAFF LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEAM SUPPORT STAFF LIMITED

Opinion

We have audited the financial statements of Team Support Staff Limited (the 'company') for the year ended 30 June 2020 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows 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 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 30 June 2020 and of its loss 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 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.

TEAM SUPPORT STAFF LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEAM SUPPORT STAFF LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report 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 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.

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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 and the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

TEAM SUPPORT STAFF LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEAM SUPPORT STAFF LIMITED

Responsibilities of Director

As explained more fully in the director's responsibilities statement set out on page 2, 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 director is 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 director intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

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 auditor's report.

Use of the audit 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.

Fiona Martin
Fiona Martin (Jun 18, 2021 06:25 GMT+1)

Fiona Martin (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date: Jun 18, 2021

TEAM SUPPORT STAFF LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 £	2019 £
Turnover	4	8,371,475	11,362,875
Cost of sales		(6,803,917)	(9,043,749)
Gross profit		1,567,558	2,319,126
Administrative expenses		(2,001,240)	(2,272,556)
Other operating income	5	266,574	-
Operating (loss)/profit	6	(167,108)	46,570
Interest receivable and similar income		110	13
Interest payable and expenses	11	(736)	(1,498)
(Loss)/profit before tax		(167,734)	45,085
Tax on (loss)/profit	12	16,726	(9,173)
(Loss)/profit after tax		(151,008)	35,912
Retained earnings at the beginning of the year		188,908	152,996
(Loss)/profit for the year		(151,008)	35,912
Dividends declared and paid		(13,000)	-
Retained earnings at the end,of the year		24,900	188,908

The notes on pages 11 to 24 form part of these financial statements.

TEAM SUPPORT STAFF LIMITED
REGISTERED NUMBER: SC361421

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible fixed assets	14	16,597	24,430
Tangible fixed assets	15	7,385	27,019
		<u>23,982</u>	<u>51,449</u>
Current assets			
Debtors: amounts falling due within one year	16	1,568,369	1,999,708
Cash and cash equivalents	17	37,955	31,361
		<u>1,606,324</u>	<u>2,031,069</u>
Creditors: amounts falling due within one year	18	(1,605,306)	(1,885,402)
Net current assets		<u>1,018</u>	<u>145,667</u>
Total assets less current liabilities		<u>25,000</u>	<u>197,116</u>
Creditors: amounts falling due after more than one year	19	-	(8,108)
Net assets		<u><u>25,000</u></u>	<u><u>189,008</u></u>
Capital and reserves			
Called up share capital	22	100	100
Profit and loss account	23	24,900	188,908
		<u>25,000</u>	<u>189,008</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

G Taylor

G Taylor (Jun 17, 2021 13:20 GMT+1)

G J Taylor
 Director

Jun 17, 2021

TEAM SUPPORT STAFF LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	2019 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(151,008)	35,912
Adjustments for:		
Amortisation of intangible fixed assets	7,833	4,278
Depreciation of tangible fixed assets	9,715	15,403
Profit on disposal of tangible fixed assets	(2,960)	-
Interest paid	736	1,498
Interest received	(110)	(13)
Taxation per Statement of Income and Retained Earnings	(16,726)	9,173
Decrease in debtors	438,610	276,349
Decrease in creditors	(270,805)	(301,996)
Corporation tax received	-	212
Net cash generated from operating activities	15,285	40,816
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(16,000)
Purchase of tangible fixed assets	(10,765)	(34,685)
Sale of tangible fixed assets	23,644	2,430
Interest received	110	13
Interest paid on finance leases and hire purchase contracts	(736)	(1,498)
Net cash from investing activities	12,253	(49,740)
Cash flows from financing activities		
(Repayment of)/new finance leases and hire purchase contracts	(7,944)	7,465
Dividends paid	(13,000)	-
Net cash used in financing activities	(20,944)	7,465
Cash and cash equivalents at beginning of year	31,361	32,820
Cash and cash equivalents at the end of year	37,955	31,361
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	37,955	31,361

The notes on pages 11 to 24 form part of these financial statements.

TEAM SUPPORT STAFF LIMITED

ANALYSIS OF NET DEBT FOR THE YEAR ENDED 30 JUNE 2020

	At 1 July 2019 £	Cash flows £	At 30 June 2020 £
Cash at bank and in hand	31,361	6,594	37,955
Finance leases	(11,529)	7,944	(3,585)
	<u>19,832</u>	<u>14,538</u>	<u>34,370</u>

The notes on pages 11 to 24 form part of these financial statements.

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

Team Support Staff Limited is a private company, limited by shares and registered in Scotland. The company's registered office is Apex 2, 97 Haymarket Terrace, Edinburgh, EH12 5HD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is GBP and amounts are rounded to the nearest £.

COVID-19 is having a significant impact on the company's trading activity and turnover. The director has reviewed costs and reduced these where possible. The director has also taken advantage of relevant Government schemes including furlough. The COVID-19 situation is continually evolving and it is difficult at this time for the director to make an accurate assessment of the overall impact it will have on the business. The director continues to assess the impact of COVID-19 on trading as information becomes available.

The financial statements have been prepared on a going concern basis. In making his assessment, the director has reviewed the company's available cash resources against expected future expenditure and confirms that the company will have sufficient funds to allow it to continue to trade and meet its liabilities as they fall due for a period of at least twelve months from the date the director signs the financial statements of the company. The director's assessment takes into consideration the disruption to business and economic activity that is being caused by COVID-19.

Taking the above into account, the director considers it appropriate to prepare the financial statements on a going concern basis.

The following principal accounting policies have been applied:

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.2 Revenue

Revenue recognised in the year is in relation to the company's principal activity which is that of recruitment consultancy.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue in relation to the placement of temporary candidates is recognised in the period the candidate's work was performed. Revenue in relation to the placement of permanent candidates is recognised at the start date of the placement.

2.3 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.4 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

The company operates a defined contribution pension scheme for its employees. A defined contribution scheme is a pension plan under which the company pays fixed contributions into a separate entity. The company also makes payments to personal pension schemes for employees. In both cases, once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in creditors as a liability in the Statement of Financial Position. The assets of the schemes are held separately from the company in independently administered funds.

2.9 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

No deferred tax liability is included in the financial statements as the amounts involved are not considered to be significant.

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.10 Intangible fixed assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill and computer software are measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life of 10 years.

Computer software is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life of 3 years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 33% straight line
Computer equipment	- 33% straight line
Office equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 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 in value.

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.16 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the director is required to make judgments, estimates and assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to account estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key area of estimate and judgment for the company is in relation to the assessment of the requirement for a provision for doubtful debt. Management review trade debtors on a regular basis, having consideration for the age of the debt and any additional risk factors associated with specific customers, and adjust the provision accordingly.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Recruitment consultancy	8,371,475	11,362,875

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Government grants	266,574	-

6. Operating (loss)/profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	9,715	15,403
Amortisation of intangible fixed assets	7,833	4,278
Auditor's remuneration	7,300	7,150
Operating lease rentals - land and buildings	124,022	113,345

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor for the audit of the company's financial statements	7,300	7,150
Fees payable to the company's auditor in respect of:		
Taxation compliance services	1,350	1,100
All other services	108,940	119,120
	110,290	120,220

8. Employees

Staff costs, including key management remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	1,931,034	2,180,456
Social security costs	103,225	109,188
Pension costs	64,414	62,216
	2,098,673	2,351,860

The average monthly number of employees, including the director, during the year was as follows:

	2020 No.	2019 No.
Administration and production staff	138	166

9. Key management remuneration, including the director

Key management remuneration, including the director, during the year amounted to £306,537 (2019 - £337,413). This excludes contributions paid by the company to defined contribution pension schemes on behalf of key management and the director of £5,262 (2019 - £2,803).

The highest paid member of key management received remuneration of £99,557 (2019 - £116,000). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid member of key management amounted to £1,316 (2019 - £934).

During the year retirement benefits were accruing to 4 members of key management (2019 - 3) in respect of defined contribution pension schemes.

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

10. Interest receivable

	2020 £	2019 £
Other interest receivable	110	13

11. Interest payable and expenses

	2020 £	2019 £
Hire purchase interest payable	736	1,498

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profit for the year	(16,726)	9,173
Total current tax	(16,726)	9,173

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(167,734)	45,085
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(31,869)	8,566
Effects of:		
Expenses not deductible for tax purposes	627	1,038
Fixed asset differences	-	(431)
Deferred tax asset not recognised	15,044	-
Other differences leading to a decrease in the tax charge	(528)	-
Total tax (credit)/charge for the year	(16,726)	9,173

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12. Taxation (continued)

Factors that may affect future tax charges

The company has a potential deferred tax asset of approximately £17,133 (2019 - £2,089), calculated based on a tax rate of 19% (2019 - 17%), primarily in relation to losses. The deferred tax asset has not been recognised in the financial statements as there is uncertainty over its immediate recoverability.

Subsequent to the balance sheet date, it was announced in the Budget on 3 March 2021 the rate of corporation tax would be increased to 25% with effect from 1 April 2023. The effect of this change would be to increase the unrecognised deferred tax asset at 30 June 2020 by £5,411. Legislation is intended to be included in the Finance Bill 2021 to effect this change.

13. Dividends

	2020 £	2019 £
Dividends	13,000	-

14. Intangible fixed assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 July 2019	16,000	25,000	41,000
At 30 June 2020	16,000	25,000	41,000
Amortisation			
At 1 July 2019	1,778	14,792	16,570
Charge for the year	5,333	2,500	7,833
At 30 June 2020	7,111	17,292	24,403
Net book value			
At 30 June 2020	8,889	7,708	16,597
At 30 June 2019	14,222	10,208	24,430

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

15. Tangible fixed assets

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 July 2019	29,915	26,383	27,953	84,251
Additions	-	500	10,265	10,765
Disposals	(8,800)	-	(17,460)	(26,260)
At 30 June 2020	21,115	26,883	20,758	68,756
Depreciation				
At 1 July 2019	18,298	22,784	16,150	57,232
Charge for the year	4,831	1,925	2,959	9,715
Disposals	(4,889)	-	(687)	(5,576)
At 30 June 2020	18,240	24,709	18,422	61,371
Net book value				
At 30 June 2020	2,875	2,174	2,336	7,385
At 30 June 2019	11,617	3,599	11,803	27,019

The net book value of assets held under hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	2,875	11,617

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

16. Debtors

	2020 £	2019 £
Trade debtors	936,125	1,579,762
Other debtors	445,028	79,057
Called up share capital not paid (note 22)	99	99
Prepayments and accrued income	187,117	340,790
	<u>1,568,369</u>	<u>1,999,708</u>

Other debtors includes a balance of £402,262 (2019 - £531,391 included in other creditors) with Bibby Invoice Discounting Limited in respect of an invoice discounting facility. The invoice discounting facility is secured by way of an all assets debenture, a corporate guarantee from the company and third party indemnities.

17. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>37,955</u>	<u>31,361</u>

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	150,142	473,671
Corporation tax	-	9,455
Taxation and social security	1,100,175	320,605
Obligations under finance lease and hire purchase contracts (note 20)	3,585	3,421
Other creditors	14,493	607,558
Accruals and deferred income	336,911	470,692
	<u>1,605,306</u>	<u>1,885,402</u>

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

19. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Obligations under finance leases and hire purchase contracts (note 20)	-	8,108

20. Finance leases and hire purchase contracts

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	3,585	3,421
Between 1-2 years	-	3,421
Between 2-5 years	-	4,687
	3,585	11,529

Amounts due under finance leases and hire purchase creditors are secured on the assets financed under these arrangements.

21. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets representing cash at bank and in hand	37,955	31,361
Financial assets representing debtors	1,373,882	1,658,819
	1,411,837	1,690,180
Financial liabilities		
Financial liabilities representing creditors	(168,220)	(1,092,758)

Financial assets representing debtors are measured at amortised cost and comprise trade debtors and other debtors (excluding corporation tax recoverable).

Financial liabilities representing creditors are measured at amortised cost and comprise trade creditors, other creditors, and obligations under finance lease and hire purchase contract.

TEAM SUPPORT STAFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

22. Share capital

	2020 £	2019 £
Allotted, called up and partly paid		
100 (2019 - 100) Ordinary shares of £1.00 each	100	100

23. Reserves

Profit & loss account

This reserve includes all current and prior period retained profits and losses.

24. Pension commitments

The company operates a defined contribution scheme for its employees. A defined contribution scheme is a pension scheme under which the company pays fixed contributions into a separate entity. The company also makes payments to personal pension schemes for employees. In both cases, once the contributions have been paid the company has no further payment obligations. The pension charge represents the amounts payable by the company to the schemes in respect of the year and amounted to £64,414 (2019 - £62,216). Amounts due to the schemes at the reporting date are included in other creditors and amounted to £7,729 (2019 - £10,308).

25. Commitments under operating leases

At 30 June 2020 the company had future minimum lease payments under non-cancellable operating leases relating to land and buildings as follows:

	2020 £	2019 £
Not later than 1 year	34,703	73,779
Later than 1 year and not later than 5 years	51,333	81,826
	<u>86,036</u>	<u>155,605</u>

26. Related party transactions

Details of key management remuneration are provided in note 9 of the financial statements.

27. Controlling party

In the opinion of the director, P Huddleston is considered to be the company's controlling party by virtue of his majority shareholding in the company.