

**AGENCY 2000 LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**AGENCY 2000 LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**DIRECTORS:**

Gary Matthews  
Ian Nicholas McLaven

**REGISTERED OFFICE:**

Sovereign House  
15 Towcester Road  
Old Stratford  
Milton Keynes  
MK19 6AN

**REGISTERED NUMBER:**

02987532 (England and Wales)

**SENIOR STATUTORY AUDITOR:**

Shaun Balch

**INDEPENDENT AUDITORS:**

Thompson Balch Limited  
Chartered Accountants and Statutory Auditors  
Sovereign House  
15 Towcester Road  
Old Stratford  
Milton Keynes  
MK19 6AN

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their strategic report for the year ended 31 December 2022.

As a temporary recruitment agency the company continues to provide temporary employees for large businesses in local areas to its branches.

**FAIR REVIEW OF BUSINESS**

During the year there has been a 16% decrease in turnover. The decrease in turnover can be attributed to the return of a normal level of trading in the company's key customers. After the lockdowns in 2020 & 2021, key customers had a backlog of orders to be fulfilled, resulting in more temporary staff being required. Turnover has still increased from pre Covid-19 trading levels.

Gross profit margin has increased from 16% in 2021 to 18% in the current period. This was increased to account for the planned increase in national insurance contribution rates, with a 1.25% increase taking place during the period. There has also been an increase in the number of temporary staff employed during this period which can be attributed to the increased online presence created through MEM digital.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company uses various financial instruments including cash at bank, trade debtors and loans to the company to finance its operations. The existence of these financial instruments exposes the company to a number of financial risks, as described below

**Liquidity Risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet liabilities as they fall due. Short term flexibility is achieved by a high recoverability of debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts.

**Credit Risk**

The company's principal financial assets are trade debtors and amounts due under contract. The impact associated with this debtor risk is mitigated through the company having a diverse client base across multiple industries and is managed by significant work on recovering all debtors.

**COVID-19**

The effect of COVID-19 and the corresponding lockdowns in 2021 has not had a negative impact on revenue for this period. This is likely due to the restrictions in place this year being far less severe. There have been no pauses in trading in the current year and as a result, turnover has increased from pre covid trading levels. The firm's main customers are now trading at the same levels as pre-COVID 19 despite lockdowns. The effects of COVID-19 on the firm's main customers will be closely monitored, however considering the country has not been in lockdown during the reporting period, the directors feel there is currently no cause for concern.

**Brexit**

With Brexit being fully completed on 31st January 2021, the new rules in place are that in order for an EU citizen to be able to work in the UK, they need to have worked in the UK prior to 31st December 2020. This has the potential to lead to a labour supply shortage however it is felt that if there was to be any effect on the labour supply, it would have happened between July 2016 and December 2020. There is currently a surplus of workers on the firm's books however the situation will be closely monitored by the directors moving forward.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**KEY FINANCIAL INDICATORS**

The firm's revenue has decreased in the year to £12,647,789 (2021 £14,722,484) due to the effects of key customers returning to pre covid level trading. The gross profit margin has slightly increased to 18% (2021 16%) despite increases in the minimum wage, employer pension contribution and national insurance rates increasing. Net profit margin has decreased from 3% down to 1% which can be attested to the cessation of receipt of government grant income, and some of the entities debtors being unrealisable during the year, due to some customers going into liquidation.

**ON BEHALF OF THE BOARD:**

Gary Matthews - Director

26 April 2023

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

**DIVIDENDS**

No interim dividend was paid during the year. The directors recommend a final dividend of 13.88 per share.

The total distribution of dividends for the year ended 31 December 2022 will be £ 175,000 .

**DIRECTORS**

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

Gary Matthews  
Ian Nicholas McLaven

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Thompson Balch Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Gary Matthews - Director

26 April 2023

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGENCY 2000 LIMITED

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### Opinion

We have audited the financial statements of Agency 2000 Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGENCY 2000 LIMITED**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGENCY 2000 LIMITED

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### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
AGENCY 2000 LIMITED**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Shaun Balch (Senior Statutory Auditor)  
for and on behalf of Thompson Balch Limited  
Chartered Accountants and Statutory Auditors  
Sovereign House  
15 Towcester Road  
Old Stratford  
Milton Keynes  
MK19 6AN

26 April 2023

**STATEMENT OF INCOME AND  
RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|  | Notes | 2022<br>£               | 2021<br>£           |
|--|-------|-------------------------|---------------------|
| <b>TURNOVER</b>  |       | <b>12,647,789</b>       | 14,722,484          |
| Cost of sales  |       | <u>(10,320,652)</u>     | <u>(12,371,451)</u> |
| <b>GROSS PROFIT</b>                                    |       | <b>2,327,137</b>        | 2,351,033           |
| Administrative expenses                                |       | <u>(2,239,803)</u>      | <u>(2,011,109)</u>  |
|  |       | <b>87,334</b>           | 339,924             |
| Other operating income                                 |       | <u><b>4,598</b></u>     | <u>165,747</u>      |
| <b>OPERATING PROFIT and<br/>PROFIT BEFORE TAXATION</b> |       | <b>91,932</b>           | 505,671             |
| Tax on profit  | 6     | <u>(21,876)</u>         | <u>(95,044)</u>     |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                   |       | <b>70,056</b>           | 410,627             |
| Retained earnings at beginning of year                 |       | <b>1,411,821</b>        | 1,151,194           |
| Dividends  | 7     | <u>(175,000)</u>        | <u>(150,000)</u>    |
| <b>RETAINED EARNINGS AT END OF<br/>YEAR</b>            |       | <u><b>1,306,877</b></u> | <u>1,411,821</u>    |

The notes form part of these financial statements

**BALANCE SHEET**  
**31 DECEMBER 2022**

|  | Notes | 2022<br>£        | £                | 2021<br>£        | £                |
|--|-------|------------------|------------------|------------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                  |                  |                  |
| Intangible assets                            | 8     |                  | 11,200           |                  | -                |
| Tangible assets                              | 9     |                  | <u>47,456</u>    |                  | <u>35,555</u>    |
|  |       |                  | 58,656           |                  | 35,555           |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |                  |                  |
| Debtors                                      | 10    | 2,722,788        |                  | 3,510,559        |                  |
| Cash in hand                                 |       | <u>142</u>       |                  | <u>241</u>       |                  |
|  |       | 2,722,930        |                  | 3,510,800        |                  |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                  |
| Amounts falling due within one year          | 11    | <u>1,432,827</u> |                  | <u>1,941,370</u> |                  |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <u>1,290,103</u> |                  | <u>1,569,430</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | 1,348,759        |                  | 1,604,985        |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                  |
| Amounts falling due after more than one year | 12    |                  | (27,843)         |                  | (180,556)        |
| <b>PROVISIONS FOR LIABILITIES</b>            | 16    |                  | <u>(1,431)</u>   |                  | <u>-</u>         |
| <b>NET ASSETS</b>                            |       |                  | <u>1,319,485</u> |                  | <u>1,424,429</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |                  |                  |
| Called up share capital                      | 17    |                  | 12,608           |                  | 12,608           |
| Retained earnings                            |       |                  | <u>1,306,877</u> |                  | <u>1,411,821</u> |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                  | <u>1,319,485</u> |                  | <u>1,424,429</u> |

The notes form part of these financial statements

**BALANCE SHEET - continued  
31 DECEMBER 2022**

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The financial statements were authorised for issue and approved by the Board of Directors and authorised for issue on 26 April 2023 and were signed on its behalf by:

Gary Matthews - Director

Ian Nicholas McLaven - Director

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|   |   | 2022<br>£               | 2021<br>£                 |
|---|---|-------------------------|---------------------------|
| <b>Cash flows from operating activities</b>             |   |                         |                           |
| Cash generated from operations                          | 1 | 833,232                 | (509,165)                 |
| Tax paid  |   | <u>(93,824)</u>         | <u>(88,177)</u>           |
| Net cash from operating activities                      |   | <u>739,408</u>          | <u>(597,342)</u>          |
| <b>Cash flows from investing activities</b>             |   |                         |                           |
| Purchase of intangible fixed assets                     |   | (12,000)                | -                         |
| Purchase of tangible fixed assets                       |   | (7,464)                 | (20,177)                  |
| Sale of tangible fixed assets                           |   | 767                     | -                         |
| Net cash from investing activities                      |   | <u>(18,697)</u>         | <u>(20,177)</u>           |
| <b>Cash flows from financing activities</b>             |   |                         |                           |
| Loan repayments in year                                 |   | (166,667)               | (152,777)                 |
| Capital repayments in year                              |   | (1,403)                 | (7,749)                   |
| Amount withdrawn by directors                           |   | (9,560)                 | 1,136                     |
| Equity dividends paid                                   |   | <u>(175,000)</u>        | <u>(150,000)</u>          |
| Net cash from financing activities                      |   | <u>(352,630)</u>        | <u>(309,390)</u>          |
| <b>Increase/(decrease) in cash and cash equivalents</b> |   | <u>368,081</u>          | <u>(926,909)</u>          |
| <b>Cash and cash equivalents at beginning of year</b>   | 2 | <u>(1,224,973)</u>      | <u>(298,064)</u>          |
| <b>Cash and cash equivalents at end of year</b>         | 2 | <u><u>(856,892)</u></u> | <u><u>(1,224,973)</u></u> |

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

|  | 2022                  | 2021                    |
|--|-----------------------|-------------------------|
|  | £                     | £                       |
| Profit for the financial year                  | 70,056                | 410,627                 |
| Depreciation charges                           | 11,856                | 8,470                   |
| Loss on disposal of fixed assets               | 3,441                 | -                       |
| Taxation                                       | 21,876                | 95,044                  |
|  | <u>107,229</u>        | <u>514,141</u>          |
| Decrease/(increase) in trade and other debtors | 787,771               | (719,770)               |
| Decrease in trade and other creditors          | (61,768)              | (303,536)               |
| <b>Cash generated from operations</b>          | <u><b>833,232</b></u> | <u><b>(509,165)</b></u> |

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2022

|                           | 31/12/22         | 1/1/22             |
|---------------------------|------------------|--------------------|
|                           | £                | £                  |
| Cash and cash equivalents | 142              | 241                |
| Bank overdrafts           | (857,034)        | (1,225,214)        |
|                           | <u>(856,892)</u> | <u>(1,224,973)</u> |

Year ended 31 December 2021

|                           | 31/12/21           | 1/1/21           |
|---------------------------|--------------------|------------------|
|                           | £                  | £                |
| Cash and cash equivalents | 241                | 205,497          |
| Bank overdrafts           | (1,225,214)        | (503,561)        |
|                           | <u>(1,224,973)</u> | <u>(298,064)</u> |

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ANALYSIS OF CHANGES IN NET DEBT

|                                    | At 1/1/22<br>£     | Cash flow<br>£ | Other<br>non-cash<br>changes<br>£ | At 31/12/22<br>£   |
|------------------------------------|--------------------|----------------|-----------------------------------|--------------------|
| <b>Net cash</b>                    |                    |                |                                   |                    |
| Cash at bank<br>and in hand        | 241                | (99)           |                                   | 142                |
| Bank overdrafts                    | (1,225,214)        | 368,180        |                                   | (857,034)          |
|                                    | <u>(1,224,973)</u> | <u>368,081</u> |                                   | <u>(856,892)</u>   |
| <b>Debt</b>                        |                    |                |                                   |                    |
| Finance leases                     | (582)              | 1,403          | (19,700)                          | (18,879)           |
| Debts falling due<br>within 1 year | (166,667)          | (1)            | -                                 | (166,668)          |
| Debts falling due<br>after 1 year  | (180,556)          | 166,667        | -                                 | (13,889)           |
|                                    | <u>(347,805)</u>   | <u>168,069</u> | <u>(19,700)</u>                   | <u>(199,436)</u>   |
| <b>Total</b>                       | <u>(1,572,778)</u> | <u>536,150</u> | <u>(19,700)</u>                   | <u>(1,056,328)</u> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. STATUTORY INFORMATION**

Agency 2000 Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Turnover**

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

The company recognises revenue when (a) the temporary workers have carried out work at a client's premises; (b) the timesheets have been authorised by the client; (c) it is probable that future economic benefits will be received.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2022, is being amortised evenly over its estimated useful life of fifteen years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

|                    |                           |
|--------------------|---------------------------|
| Short leasehold    | - 25% on reducing balance |
| Motor vehicles     | - 25% on reducing balance |
| Computer equipment | - 25% on reducing balance |

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

2. **ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

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

3. **EMPLOYEES AND DIRECTORS**

|                       | 2022              | 2021              |
|-----------------------|-------------------|-------------------|
|                       | £                 | £                 |
| Wages and salaries    | 11,170,730        | 13,187,359        |
| Social security costs | 302,468           | 297,982           |
| Other pension costs   | 112,253           | 91,508            |
|                       | <u>11,585,451</u> | <u>13,576,849</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

3. **EMPLOYEES AND DIRECTORS - continued**

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

|                   | 2022       | 2021       |
|-------------------|------------|------------|
| Management        | 5          | 5          |
| Administration    | 6          | 12         |
| Consulting        | 25         | 17         |
| Temporary Workers | 271        | 176        |
|                   | <u>307</u> | <u>210</u> |

4. **DIRECTORS' EMOLUMENTS**

|                         | 2022          | 2021          |
|-------------------------|---------------|---------------|
|                         | £             | £             |
| Directors' remuneration | <u>44,010</u> | <u>39,500</u> |

The number of directors to whom retirement benefits were accruing was as follows:

|                        |          |          |
|------------------------|----------|----------|
| Money purchase schemes | <u>2</u> | <u>2</u> |
|------------------------|----------|----------|

5. **OPERATING PROFIT**

The operating profit is stated after charging:

|  | 2022          | 2021          |
|--|---------------|---------------|
|  | £             | £             |
| Depreciation - owned assets                      | 6,353         | 3,535         |
| Depreciation - assets on hire purchase contracts | 4,702         | 4,935         |
| Loss on disposal of fixed assets                 | 3,441         | -             |
| Goodwill amortisation                            | 800           | -             |
| Auditors' remuneration                           | <u>16,050</u> | <u>15,679</u> |

6. **TAXATION**

**Analysis of the tax charge**

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

|                      | 2022          | 2021          |
|----------------------|---------------|---------------|
|                      | £             | £             |
| Current tax:         |               |               |
| UK corporation tax   | 21,665        | 95,044        |
| Under/over provision | (1,220)       | -             |
| Total current tax    | <u>20,445</u> | <u>95,044</u> |
| Deferred tax         | 1,431         | -             |
| Tax on profit        | <u>21,876</u> | <u>95,044</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

7. DIVIDENDS

|                           | 2022<br>£      | 2021<br>£      |
|---------------------------|----------------|----------------|
| Ordinary shares of 1 each |                |                |
| Final dividend            | <u>175,000</u> | <u>150,000</u> |

8. INTANGIBLE FIXED ASSETS

|                       | Goodwill<br>£ |
|-----------------------|---------------|
| <b>COST</b>           |               |
| Additions             | <u>12,000</u> |
| At 31 December 2022   | <u>12,000</u> |
| <b>AMORTISATION</b>   |               |
| Amortisation for year | <u>800</u>    |
| At 31 December 2022   | <u>800</u>    |
| <b>NET BOOK VALUE</b> |               |
| At 31 December 2022   | <u>11,200</u> |

9. TANGIBLE FIXED ASSETS

|                        | Short<br>leasehold<br>£ | Motor<br>vehicles<br>£ | Computer<br>equipment<br>£ | Totals<br>£    |
|------------------------|-------------------------|------------------------|----------------------------|----------------|
| <b>COST</b>            |                         |                        |                            |                |
| At 1 January 2022      | 12,029                  | 54,170                 | 138,330                    | 204,529        |
| Additions              | 2,996                   | 21,200                 | 2,968                      | 27,164         |
| Disposals              | -                       | (11,630)               | -                          | (11,630)       |
| At 31 December 2022    | <u>15,025</u>           | <u>63,740</u>          | <u>141,298</u>             | <u>220,063</u> |
| <b>DEPRECIATION</b>    |                         |                        |                            |                |
| At 1 January 2022      | 12,017                  | 39,148                 | 117,809                    | 168,974        |
| Charge for year        | 503                     | 4,702                  | 5,850                      | 11,055         |
| Eliminated on disposal | -                       | (7,422)                | -                          | (7,422)        |
| At 31 December 2022    | <u>12,520</u>           | <u>36,428</u>          | <u>123,659</u>             | <u>172,607</u> |
| <b>NET BOOK VALUE</b>  |                         |                        |                            |                |
| At 31 December 2022    | <u>2,505</u>            | <u>27,312</u>          | <u>17,639</u>              | <u>47,456</u>  |
| At 31 December 2021    | <u>12</u>               | <u>15,022</u>          | <u>20,521</u>              | <u>35,555</u>  |

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

|                        | Motor vehicles<br>£ |
|------------------------|---------------------|
| <b>COST</b>            |                     |
| At 1 January 2022      | 54,170              |
| Additions              | 21,200              |
| Disposals              | (11,630)            |
| At 31 December 2022    | <u>63,740</u>       |
| <b>DEPRECIATION</b>    |                     |
| At 1 January 2022      | 39,148              |
| Charge for year        | 4,702               |
| Eliminated on disposal | (7,422)             |
| At 31 December 2022    | <u>36,428</u>       |
| <b>NET BOOK VALUE</b>  |                     |
| At 31 December 2022    | <u>27,312</u>       |
| At 31 December 2021    | <u>15,022</u>       |

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                | 2022<br>£        | 2021<br>£        |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 2,598,640        | 3,340,895        |
| Other debtors                  | 81,655           | 139,896          |
| Prepayments and accrued income | 42,493           | 29,768           |
|                                | <u>2,722,788</u> | <u>3,510,559</u> |

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| Bank loans and overdrafts (see note 13) | 1,023,702        | 1,391,881        |
| Hire purchase contracts (see note 14)   | 4,925            | 582              |
| Corporation tax                         | 21,665           | 95,044           |
| Social security and other taxes         | 74,248           | 82,886           |
| VAT                                     | 229,793          | 320,978          |
| Wages control                           | 24,564           | 660              |
| Pension fund loan                       | 12,943           | 16,730           |
| Directors' loan accounts                | 7,832            | 17,392           |
| Accruals and deferred income            | 33,155           | 15,217           |
|   | <u>1,432,827</u> | <u>1,941,370</u> |

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                       | <b>2022</b>          | <b>2021</b>    |
|---------------------------------------|----------------------|----------------|
|                                       | <b>£</b>             | <b>£</b>       |
| Bank loans (see note 13)              | <b>13,889</b>        | 180,556        |
| Hire purchase contracts (see note 14) | <b>13,954</b>        | -              |
|                                       | <u><b>27,843</b></u> | <u>180,556</u> |

**13. LOANS**

An analysis of the maturity of loans is given below:

|   | <b>2022</b>             | <b>2021</b>      |
|---|-------------------------|------------------|
|   | <b>£</b>                | <b>£</b>         |
| Amounts falling due within one year or on demand: |                         |                  |
| Bank overdrafts                                   | <b>857,034</b>          | 1,225,214        |
| Bank loans  | <b>166,668</b>          | 166,667          |
|   | <u><b>1,023,702</b></u> | <u>1,391,881</u> |
| Amounts falling due between one and two years:    |                         |                  |
| Bank loans - 1-2 years                            | <u><b>13,889</b></u>    | <u>180,556</u>   |

**14. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

|                            | <b>Hire purchase</b>   | <b>contracts</b> |
|----------------------------|------------------------|------------------|
|                            | <b>2022</b>            | <b>2021</b>      |
|                            | <b>£</b>               | <b>£</b>         |
| Net obligations repayable: |                        |                  |
| Within one year            | <b>4,925</b>           | 582              |
| Between one and five years | <b>13,954</b>          | -                |
|                            | <u><b>18,879</b></u>   | <u>582</u>       |
|                            | <b>Non-cancellable</b> | <b>operating</b> |
|                            | <b>2022</b>            | <b>leases</b>    |
|                            | <b>£</b>               | <b>2021</b>      |
|                            | <b>£</b>               | <b>£</b>         |
| Within one year            | <b>25,428</b>          | 85,200           |
| Between one and five years | <b>75,772</b>          | 49,454           |
|                            | <u><b>101,200</b></u>  | <u>134,654</u>   |

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**15. SECURED DEBTS**

Barclays Bank PLC holds a debenture dated 5th November 1996.

Barclays Bank PLC holds a debenture dated 17th June 2020 which contains fixed and floating charges covering all property or undertaking of the company.

Hire purchase liabilities are secured against the assets which are being funded.

**16. PROVISIONS FOR LIABILITIES**

|  | <b>2022</b>         | <b>2021</b>         |
|--|---------------------|---------------------|
|  | <b>£</b>            | <b>£</b>            |
| Deferred tax                           | <u><b>1,431</b></u> | <u><b>-</b></u>     |
|  |                     | <b>Deferred tax</b> |
|  |                     | <b>£</b>            |
| Provided during year                   |                     | <b>2,268</b>        |
| Credit to Income Statement during year |                     | <b>(837)</b>        |
| Balance at 31 December 2022            |                     | <u><b>1,431</b></u> |

**17. CALLED UP SHARE CAPITAL**

**Allotted, issued and fully paid:**

| <b>Number:</b> | <b>Class:</b> | <b>Nominal value:</b> | <b>2022</b>          | <b>2021</b>          |
|----------------|---------------|-----------------------|----------------------|----------------------|
|                |               |                       | <b>£</b>             | <b>£</b>             |
| 12,608         | Ordinary      | 1                     | <u><b>12,608</b></u> | <u><b>12,608</b></u> |

**18. PENSION COMMITMENTS**

The company provides a defined contribution schemes for all its employees including both directors.

**19. RELATED PARTY DISCLOSURES**

Included in other debtors due within one year is £21,016 (2021 - £116,533) due from The Staffroom Agency Ltd, a connected company with the same directors. There is a relationship here where Agency 2000 Limited carries out payroll services for The Staffroom Agency Ltd and recharges the company at cost.

Included within other debtors due within one year is £50,264 (2021 - £12,540) due from MEM Digital Ltd, a connected company with the same directors. There is a relationship where MEM Digital Ltd carries out marketing services for Agency 2000.

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