

Company Registration No. 02855561 (England and Wales)

**MANE CONTRACT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Faulkner House  
Victoria Street  
St Albans  
Hertfordshire  
AL1 3SE**

**Rayner Essex LLP  
Chartered Accountants**

# MANE CONTRACT SERVICES LIMITED

## COMPANY INFORMATION

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<b>Director</b>	L Pacelli
<b>Secretary</b>	H Patel
<b>Company number</b>	02855561
<b>Registered office</b>	3rd Floor 6 Hercules Way Watford Hertfordshire WD25 7GS
<b>Auditor</b>	Rayner Essex LLP Faulkner House Victoria Street St Albans Hertfordshire AL1 3SE

# MANE CONTRACT SERVICES LIMITED

## CONTENTS

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	<b>Page</b>
Strategic report	1
Director's report	2 - 3
Independent auditor's report	4 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 24

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# MANE CONTRACT SERVICES LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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The director presents the strategic report for the year ended 31 August 2019.

#### Fair review of the business

The director can report that business levels remained steady across all our key markets. A continuing focus on technology offerings to all customers will remain a key focus in the coming year.

#### Principal risks and uncertainties

The board cannot see any risks or uncertainties other than the normal commercial risks associated with running a business of this size in the recruitment sector. The principal risks and uncertainties being :-

##### Liquidity Risk

The board manages liquidity risk by a combination of controls such as monitoring gearing levels and ensuring facilities are readily available for future use.

##### Competition Risk

The board considers that following a detailed review, the company is in a good position to attract new clients and ultimately capitalise on new opportunities which may arise in the coming year.

#### Development and performance

The company continues to develop the business in accordance with plans and projections.

#### Key performance indicators

The Key Performance Indicators (KPIs) of the company reviewed by the board are the gross profit margin, operating profit margin and net profit margin. The board approves forecasts for the coming year and these together with the expected KPIs are compared against the actual figures throughout the financial year.

The Company's financial performance for the year is monitored using the following KPI's:

#### 2019 2018

Turnover for the year    £58,039m £50,958m

Gross Profit %	10.52%	11.16%	Ratio of gross profit to turnover
Operating Profit %	1.22%	1.99%	Ratio of operating profit to turnover
Net Profit %	0.94%	1.74%	Ratio of net profit before tax to turnover

On behalf of the board

L Pacelli

**Director**

24 January 2020

# **MANE CONTRACT SERVICES LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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The director presents his annual report and financial statements for the year ended 31 August 2019.

#### **Principal activities**

The principal activity of the company continued to be that of staff employment agency for the supply of technical staff.

#### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

L Pacelli

#### **Results and dividends**

The results for the year are set out on page 7.

During the year an interim dividend was paid amounting to £245,822 (2018: £372,673). The director does not recommend payment of a final dividend.

#### **Financial instruments**

##### ***Liquidity risk***

The board manages liquidity risk by a combination of controls such as monitoring gearing levels and ensuring facilities are readily available for future use.

##### ***Competition risk***

The board considers that following a detailed review, the company is in a good position to attract new clients and ultimately capitalise on new opportunities which may arise in the coming year.

#### **Future developments**

The company continues to develop the business in accordance with plans and projections.

#### **Auditor**

The auditor, Rayner Essex LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# **MANE CONTRACT SERVICES LIMITED**

## **DIRECTOR'S REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Statement of director's responsibilities**

The director is responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 enable them 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.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

L Pacelli  
**Director**

24 January 2020

# MANE CONTRACT SERVICES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MANE CONTRACT SERVICES LIMITED

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#### Opinion

We have audited the financial statements of Mane Contract Services Limited (the 'company') for the year ended 31 August 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, 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 31 August 2019 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 *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.

#### The Impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as impairment of fixed assets, recoverability of debtors, intangibles assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. No audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

#### 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.

However, as not all future events or conditions can be predicted, such as the impact of Brexit, and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation as a going concern.

# **MANE CONTRACT SERVICES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MANE CONTRACT SERVICES LIMITED**

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#### **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 our 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 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 and the director's report.

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

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.



## **MANE CONTRACT SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF MANE CONTRACT SERVICES LIMITED**

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##### **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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 him 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.

**Antony Federer FCA FCCA CF (Senior Statutory Auditor)**  
for and on behalf of Rayner Essex LLP

30 January 2020

**Chartered Accountants**  
**Statutory Auditor**

Faulkner House  
Victoria Street  
St Albans  
Hertfordshire  
AL1 3SE

## MANE CONTRACT SERVICES LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	2018 £
Turnover	3	58,038,508	50,957,891
Cost of sales		(51,932,833)	(45,272,201)
<b>Gross profit</b>		<b>6,105,675</b>	<b>5,685,690</b>
Administrative expenses		(5,399,769)	(4,671,691)
<b>Operating profit</b>	7	<b>705,906</b>	<b>1,013,999</b>
Interest payable and similar expenses	6	(163,028)	(125,467)
<b>Profit before taxation</b>		<b>542,878</b>	<b>888,532</b>
Tax on profit	8	(62,083)	(203,892)
<b>Profit for the financial year</b>		<b>480,795</b>	<b>684,640</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# MANE CONTRACT SERVICES LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	10		412,996		22,473
<b>Current assets</b>					
Debtors	12	10,684,634		10,869,113	
Cash at bank and in hand		26,987		540,469	
		<u>10,711,621</u>		<u>11,409,582</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(8,925,642)</u>		<u>(9,474,027)</u>	
<b>Net current assets</b>			<u>1,785,979</u>		<u>1,935,555</u>
<b>Total assets less current liabilities</b>			<u><u>2,198,975</u></u>		<u><u>1,958,028</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		292,646		286,672
Share premium account			45,000		45,000
Capital redemption reserve			63,158		63,158
Profit and loss reserves	18		<u>1,798,171</u>		<u>1,563,198</u>
<b>Total equity</b>			<u><u>2,198,975</u></u>		<u><u>1,958,028</u></u>

The financial statements were approved and signed by the director and authorised for issue on 24 January 2020

L Pacelli

**Director**

**Company Registration No. 02855561**

# MANE CONTRACT SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 September 2017</b>		280,698	45,000	63,158	1,251,231	1,640,087
<b>Year ended 31 August 2018:</b>						
Profit and total comprehensive income for the year		-	-	-	684,640	684,640
Issue of share capital	17	5,974	-	-	-	5,974
Dividends	9	-	-	-	(372,673)	(372,673)
<b>Balance at 31 August 2018</b>		286,672	45,000	63,158	1,563,198	1,958,028
<b>Year ended 31 August 2019:</b>						
Profit and total comprehensive income for the year		-	-	-	480,795	480,795
Issue of share capital	17	5,974	-	-	-	5,974
Dividends	9	-	-	-	(245,822)	(245,822)
<b>Balance at 31 August 2019</b>		292,646	45,000	63,158	1,798,171	2,198,975

# MANE CONTRACT SERVICES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

		2019		2018	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	433,699		787,026	
Interest paid		(163,028)		(125,467)	
Income taxes paid		(182,626)		(102,645)	
<b>Net cash inflow from operating activities</b>		88,045		558,914	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(441,988)		(6,514)	
Proceeds on disposal of tangible fixed assets		492		-	
Proceeds from other investments and loans		79,817		84,968	
<b>Net cash (used in)/generated from investing activities</b>		(361,679)		78,454	
<b>Financing activities</b>					
Proceeds from issue of shares		5,974		5,974	
Dividends paid		(245,822)		(372,673)	
<b>Net cash used in financing activities</b>		(239,848)		(366,699)	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(513,482)		270,669	
Cash and cash equivalents at beginning of year		540,469		269,800	
<b>Cash and cash equivalents at end of year</b>		26,987		540,469	

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

#### Company information

Mane Contract Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, 6 Hercules Way, Watford, Hertfordshire, WD25 7GS.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue in respect of recruitment services provided is recognised in full when the customer has authorised timesheets for labour provided.

Income received from placing permanent staff is recognised at the point an individual accepts an offer of placement by signing the terms and condition of employment and commences that period of employment.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	over the term of the lease
Fixtures, fittings & equipment	over 2-5 years
Motor vehicles	over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.



# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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**1 Accounting policies**

(Continued)

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.9 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### 1.12 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of 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 accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Temporary Placements	56,837,579	50,155,643
Permanent Placements	754,120	531,500
Other	446,809	270,748
	<u>58,038,508</u>	<u>50,957,891</u>
	<u><u>58,038,508</u></u>	<u><u>50,957,891</u></u>
	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	54,680,853	45,509,477
Europe	3,357,655	5,448,414
	<u>58,038,508</u>	<u>50,957,891</u>
	<u><u>58,038,508</u></u>	<u><u>50,957,891</u></u>

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Management	15	18
Administration	58	44
	<u>73</u>	<u>62</u>
	<u><u>73</u></u>	<u><u>62</u></u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	3,025,732	2,527,031
Social security costs	354,476	294,152
Pension costs	85,761	58,067
	<u>3,465,969</u>	<u>2,879,250</u>
	<u><u>3,465,969</u></u>	<u><u>2,879,250</u></u>

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 5 Director's remuneration

	2019 £	2018 £
Remuneration for qualifying services	124,696	124,867
Company pension contributions to defined contribution schemes	18,000	16,500
	<u>142,696</u>	<u>141,367</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

### 6 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on invoice finance arrangements	162,962	125,467
<b>Other finance costs:</b>		
Other interest	66	-
	<u>163,028</u>	<u>125,467</u>

### 7 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	14,281	14,331
Fees payable to the company's auditor for the audit of the company's financial statements	12,250	12,750
Fees payable to the company's auditor for non audit services	7,638	7,638
Depreciation of owned tangible fixed assets	51,465	10,868
(Profit)/loss on disposal of tangible fixed assets	(492)	19
Operating lease charges	<u>287,428</u>	<u>223,483</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £14,281 (2018 - £14,331).

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	56,792	203,892
	<u>56,792</u>	<u>203,892</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	5,291	-
	<u>5,291</u>	<u>-</u>
<b>Total tax charge</b>	<u>62,083</u>	<u>203,892</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	542,878	888,532
	<u>542,878</u>	<u>888,532</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	103,147	168,821
Tax effect of expenses that are not deductible in determining taxable profit	890	33,670
Permanent capital allowances in excess of depreciation	(45,757)	(342)
Depreciation on assets not qualifying for tax allowances	3,021	1,743
Under/(over) provided in prior years	(4,416)	-
Deferred tax adjustments in respect of prior years	5,291	-
Profit on sale of fixed assets	(93)	-
	<u>62,083</u>	<u>203,892</u>
<b>Taxation charge for the year</b>	<u>62,083</u>	<u>203,892</u>

### 9 Dividends

	2019 £	2018 £
Interim paid	245,822	372,673
	<u>245,822</u>	<u>372,673</u>

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2018	81,980	120,184	25,608	227,772
Additions	342,696	99,292	-	441,988
Disposals	(81,980)	(40,177)	(25,608)	(147,765)
At 31 August 2019	342,696	179,299	-	521,995
<b>Depreciation and impairment</b>				
At 1 September 2018	81,076	98,615	25,608	205,299
Depreciation charged in the year	31,119	20,346	-	51,465
Eliminated in respect of disposals	(81,980)	(40,177)	(25,608)	(147,765)
At 31 August 2019	30,215	78,784	-	108,999
<b>Carrying amount</b>				
At 31 August 2019	312,481	100,515	-	412,996
At 31 August 2018	904	21,569	-	22,473

### 11 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	10,303,764	10,513,552
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	8,214,680	7,472,876

### 12 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	9,568,356	9,759,521
Corporation tax recoverable	205,746	211,594
Other debtors	735,408	754,031
Prepayments and accrued income	170,118	133,670
	10,679,628	10,858,816

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

12 Debtors		(Continued)	
	2019	2018	
	£	£	
Amounts falling due after more than one year:			
Deferred tax asset (note 14)	5,006	10,297	
	<u>5,006</u>	<u>10,297</u>	
<b>Total debtors</b>	<b>10,684,634</b>	<b>10,869,113</b>	
	<u>10,684,634</u>	<u>10,869,113</u>	

13 Creditors: amounts falling due within one year		2019	2018
		£	£
Trade creditors	1,364,969	344,905	
Corporation tax	61,218	192,900	
Other taxation and social security	649,744	1,808,251	
Other creditors	6,279,762	5,776,749	
Accruals and deferred income	569,949	1,351,222	
	<u>8,925,642</u>	<u>9,474,027</u>	

Included in other creditors is £5,125,037 (2018: £5,377,504) for commercial finance facilities. The liability is secured by a debenture over the book debts of the company.

### 14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets	Assets
	2019	2018
	£	£
<b>Balances:</b>		
ACAs	<u>5,006</u>	<u>10,297</u>
<b>Movements in the year:</b>		2019
		£
Asset at 1 September 2018		(10,297)
Charge to profit or loss		5,291
		<u>(5,006)</u>

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 15 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	85,761	58,067

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 16 Share-based payment transactions

The company operates a tax authority approved Enterprise Management Incentive Share Option Scheme for certain senior personnel at the discretion of the director.

	Number of share options		Weighted average exercise price	
	2019 Number	2018 Number	2019 £	2018 £
Outstanding at 1 September 2018	11,948	17,922	1.00	1.00
Exercised	(5,974)	(5,974)	1.00	1.00
Outstanding at 31 August 2019	5,974	11,948	1.00	1.00
Exercisable at 31 August 2019	5,974	11,948	1.00	1.00

The options outstanding at 31 August 2019 had an exercise price of £1, and a remaining contractual life of 1 year.



# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 17 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
292,646 Ordinary shares of £1 each	292,646	286,672

#### Reconciliation of movements during the year:

		Ordinary Number
At 1 September 2018		286,672
Issue of fully paid shares		5,974
At 31 August 2019		292,646

During the year 5,974 (2018: 5,974 ) shares were issued as part of the Enterprise Management Incentive Share Option Scheme as disclosed in note 16.

### 18 Profit and loss reserves

	2019 £	2018 £
At the beginning of the year	1,563,198	1,251,231
Profit for the year	480,795	684,640
Dividends declared and paid in the year	(245,822)	(372,673)
At the end of the year	1,798,171	1,563,198

### 19 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	297,448	145,717
Between two and five years	753,567	71,338
	1,051,015	217,055

## MANE CONTRACT SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

#### 20 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	85,000	85,000

During the year £NIL (2018: £53,064) was recharged to Mane B.V.i.o. a company under common control. At the year end Mane B.V.i.o. owed the company £NIL (2018: £NIL).

#### 21 Directors' transactions

The company has granted loan facilities to the directors of the company which were interest free and have no fixed term repayment period. The analysis of the loans are shown below:

Dividends totalling £225,750 (2018 - £349,375) were paid in the year in respect of shares held by the company's director.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
L Pacelli -	-	732,512	276,122	(355,939)	652,695
		<u>732,512</u>	<u>276,122</u>	<u>(355,939)</u>	<u>652,695</u>

#### 22 Ultimate controlling party

The ultimate controlling part is L Pacelli by virtue of his shareholding.

# MANE CONTRACT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 23 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	480,795	684,640
<b>Adjustments for:</b>		
Taxation charged	62,083	203,892
Finance costs	163,028	125,467
(Gain)/loss on disposal of tangible fixed assets	(492)	19
Depreciation and impairment of tangible fixed assets	51,465	10,868
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	93,523	(2,818,912)
(Decrease)/increase in creditors	(416,703)	2,581,052
<b>Cash generated from operations</b>	<u>433,699</u>	<u>787,026</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.