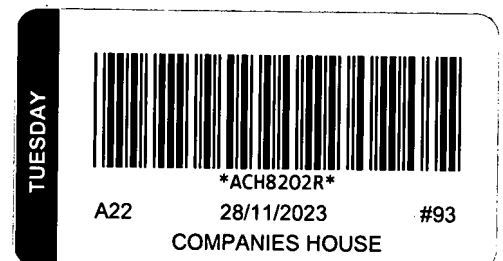


**JARELL LIMITED**

**Group Strategic Report, Report of the Director and  
Audited Consolidated Financial Statements for the Year Ended 28 February 2023**

Michael Dufty Partnership Limited  
Statutory Auditors  
59-61 Charlotte Street  
St Pauls Square  
Birmingham  
West Midlands  
B3 1PX



**Contents of the Consolidated Financial Statements  
for the Year Ended 28 February 2023**

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**JARELL LIMITED**

**Company Information  
for the Year Ended 28 February 2023**

**DIRECTOR:** R E Sobol

**REGISTERED OFFICE:** 10th Floor  
60 Church Street  
Birmingham  
West Midlands  
B3 2DJ

**REGISTERED NUMBER:** 09512613 (England and Wales)

**AUDITORS:** Michael Dufty Partnership Limited  
Statutory Auditors  
59-61 Charlotte Street  
St Pauls Square  
Birmingham  
West Midlands  
B3 1PX

**Group Strategic Report  
for the Year Ended 28 February 2023**

The director presents his strategic report of the company and the group for the year ended 28 February 2023.

**REVIEW OF BUSINESS**

The turnover for the year is £21,999,615 ( 2022: £31,882,793) a drop of 31% as the group as the group moves to towards a greater focus on permanent recruitment.

Gross profit for the year is £4,154,967 ( 2022: £4,154,947) at 18.9% of sales up from 13% in 2022. The directors are pleased that gross profit has increased due to increased permanent placements made by the group.

Net profit before tax is £617,432 (2022: £1,488,141) a reduction of £870,709. This was impacted by the exceptional costs of £566,704.

The net liabilities closed at £1,677,278 (2022: £1,207,517). This position would have improved was it not for the exceptional items.

**FINANCIAL**

The group is exposed to a variety of financial risks and carries out regular reviews to identify such risks and wherever possible put in place processes to mitigate risks identified.

**LIQUIDITY RISK**

Liquidity risk arises from the groups management of working capital.

It is the risk that the group will encounter difficulty in meeting its debts as they fall due.


The group regularly reviews its cash-flow and maintains group wide cash flow forecasts, which are updated on a weekly basis in a effort to mitigate liquidity risk.

The financial statements are prepared on a going concern basis as it expected that the group can meet its obligations as they fall due.

**EMPLOYMENT POLICY**

Jarell Limited is an Equal Opportunities Employer. Our aim is to ensure that no job applicant or employee receives less favourable treatment on the grounds of gender, race, disability, colour, nationality, ethnic or national origin, marital status, sexuality, responsibility for dependents, religion, trade union activity and age. Selection criteria and procedures are kept under review to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equality of opportunity within Jarell Limited service and will be encouraged to progress within the organisation.

**ON BEHALF OF THE BOARD:**



R E Sobol - Director

22 November 2023

**Report of the Director  
for the Year Ended 28 February 2023**

The director presents his report with the financial statements of the company and the group for the year ended 28 February 2023.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of the provision of both temporary and permanent labour across sectors ranging from manufacturing and industrial to business and commerce.

**DIVIDENDS**

Interim Dividends totalling £817,878 were paid at various times during the year to the members of the parent company.

**DIRECTOR**

R E Sobol held office during the whole of the period from 1 March 2022 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Group Strategic Report, the Report of the Director 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

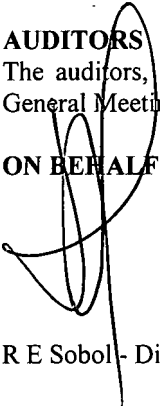
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he 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 group's auditors are aware of that information.

**AUDITORS**

The auditors, Michael Dufty Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



R E Sobol - Director

22 November 2023

## **Report of the Independent Auditors to the Members of Jarell Limited**

### **Opinion**

We have audited the financial statements of Jarell Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 February 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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 group's and of the parent company affairs as at 28 February 2023 and of the group's 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 group 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 director's 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 group's and the parent 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 director with respect to going concern are described in the relevant sections of this report.

### **Other information**

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, 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 Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
Jarell Limited**

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

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Director's Responsibilities set out on page three, 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 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 group's and the parent 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 group or the parent company or to cease operations, or has no realistic alternative but to do so.

## **Report of the Independent Auditors to the Members of Jarell Limited**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experience of the group and sector in which they operate;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006 and taxation legislation; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and considering available audit information.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

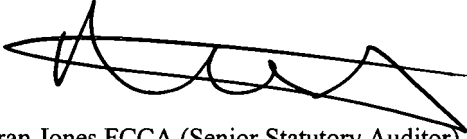
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



**Report of the Independent Auditors to the Members of  
Jarell Limited**

**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.



Arran Jones FCCA (Senior Statutory Auditor)  
for and on behalf of Michael Dufty Partnership Limited  
Statutory Auditors  
59-61 Charlotte Street  
St Pauls Square  
Birmingham  
West Midlands  
B3 1PX

22 November 2023

**JARELL LIMITED (REGISTERED NUMBER: 09512613)**

**Consolidated  
Income Statement  
for the Year Ended 28 February 2023**

	Notes	2023 £	2022 £
<b>TURNOVER</b>		21,999,615	31,882,793
Cost of sales		17,844,648	27,727,846
<b>GROSS PROFIT</b>		4,154,967	4,154,947
Administrative expenses		3,324,965	2,715,218
		830,002	1,439,729
Other operating income		(202,364)	57,679
<b>OPERATING PROFIT</b>	5	627,638	1,497,408
Interest payable and similar expenses	7	10,206	9,267
<b>PROFIT BEFORE TAXATION</b>		617,432	1,488,141
Tax on profit	8	169,290	334,269
<b>PROFIT FOR THE FINANCIAL YEAR</b>		448,142	1,153,872
Profit attributable to:			
Owners of the parent		269,971	933,680
Non-controlling interests		178,171	220,192
		448,142	1,153,872

The notes form part of these financial statements

**JARELL LIMITED (REGISTERED NUMBER: 09512613)**

**Consolidated  
Other Comprehensive Income  
for the Year Ended 28 February 2023**

Notes	2023 £	2022 £
<b>PROFIT FOR THE YEAR</b>	448,142	1,153,872
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>448,142</u>	<u>1,153,872</u>
Total comprehensive income attributable to:		
Owners of the parent	269,971	933,680
Non-controlling interests	178,171	220,192
	<u>448,142</u>	<u>1,153,872</u>

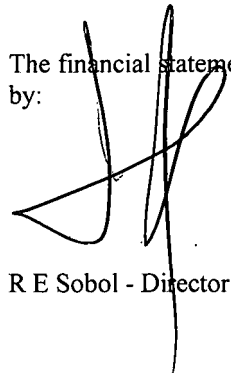
The notes form part of these financial statements

**JARELL LIMITED (REGISTERED NUMBER: 09512613)**

**Consolidated Balance Sheet  
28 February 2023**

	Notes	2023	2022
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	11	13,839	24,730
Tangible assets	12	36,547	56,528
Investments	13		
Interest in associate		30,967	-
		<u>81,353</u>	<u>81,258</u>
<b>CURRENT ASSETS</b>			
Debtors	14	4,083,475	5,427,656
Cash at bank and in hand		52,640	123,447
		<u>4,136,115</u>	<u>5,551,103</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	5,747,330	6,628,414
<b>NET CURRENT LIABILITIES</b>		<u>(1,611,215)</u>	<u>(1,077,311)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(1,529,862)</u>	<u>(996,053)</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(143,705)	(205,679)
<b>PROVISIONS FOR LIABILITIES</b>	20	(3,710)	(5,785)
<b>NET LIABILITIES</b>		<u><u>(1,677,277)</u></u>	<u><u>(1,207,517)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	101	101
Retained earnings	22	(1,703,542)	(1,233,381)
<b>SHAREHOLDERS' FUNDS</b>		<u>(1,703,441)</u>	<u>(1,233,280)</u>
<b>NON-CONTROLLING INTERESTS</b>	23	26,164	25,763
<b>TOTAL EQUITY</b>		<u><u>(1,677,277)</u></u>	<u><u>(1,207,517)</u></u>

The financial statements were approved by the director and authorised for issue on 22 November 2023 and were signed by:



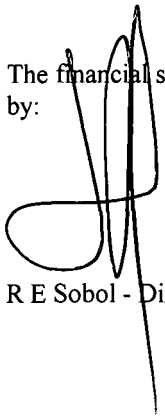
R E Sobol - Director

The notes form part of these financial statements

**JARELL LIMITED (REGISTERED NUMBER: 09512613)****Company Balance Sheet  
28 February 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Intangible assets	11	-	-
Tangible assets	12	-	-
Investments	13	2,146,227	2,071,267
		<u>2,146,227</u>	<u>2,071,267</u>
<b>CURRENT ASSETS</b>			
Debtors	14	427,794	450,410
Cash at bank and in hand		562	143
		<u>428,356</u>	<u>450,553</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	2,567,636	2,515,594
<b>NET CURRENT LIABILITIES</b>		<u>(2,139,280)</u>	<u>(2,065,041)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,947</u>	<u>6,226</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	101	101
Retained earnings	22	6,846	6,125
<b>SHAREHOLDERS' FUNDS</b>		<u>6,947</u>	<u>6,226</u>
Company's profit for the financial year		<u>818,599</u>	<u>240,003</u>

The financial statements were approved by the director and authorised for issue on 22 November 2023 and were signed by:



R E Sobol - Director

The notes form part of these financial statements

**JARELL LIMITED (REGISTERED NUMBER: 09512613)**

**Consolidated Statement of Changes in Equity  
for the Year Ended 28 February 2023**

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 March 2021</b>	101	(1,705,681)	(1,705,580)	103,007	(1,602,573)
<b>Changes in equity</b>					
Dividends	-	(472,771)	(472,771)	(301,045)	(773,816)
Total comprehensive income	-	933,680	933,680	220,192	1,153,872
Disposal to NCI	-	11,391	11,391	3,609	15,000
<b>Balance at 28 February 2022</b>	101	(1,233,381)	(1,233,280)	25,763	(1,207,517)
<b>Changes in equity</b>					
Dividends	-	(817,878)	(817,878)	(374,955)	(1,192,833)
Total comprehensive income	-	269,971	269,971	178,171	448,142
Acquisition of non-contr int	-	77,746	77,746	(152,746)	(75,000)
Disposal of subsidiary	-	-	-	349,930	349,930
<b>Balance at 28 February 2023</b>	101	(1,703,542)	(1,703,441)	26,163	(1,677,278)

The notes form part of these financial statements

**JARELL LIMITED (REGISTERED NUMBER: 09512613)****Company Statement of Changes in Equity  
for the Year Ended 28 February 2023**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 March 2021</b>	101	238,893	238,994
<b>Changes in equity</b>			
Dividends	-	(472,771)	(472,771)
Total comprehensive income	-	240,003	240,003
	<hr/>	<hr/>	<hr/>
<b>Balance at 28 February 2022</b>	101	6,125	6,226
	<hr/>	<hr/>	<hr/>
<b>Changes in equity</b>			
Dividends	-	(817,878)	(817,878)
Total comprehensive income	-	818,599	818,599
	<hr/>	<hr/>	<hr/>
<b>Balance at 28 February 2023</b>	101	6,846	6,947
	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

**JARELL LIMITED (REGISTERED NUMBER: 09512613)**

**Consolidated Cash Flow Statement  
for the Year Ended 28 February 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,362,661	516,951
Interest paid		(10,206)	(9,267)
Tax paid		(339,022)	(152,408)
Net cash from operating activities		<u>1,013,433</u>	<u>355,276</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		-	(4,296)
Purchase of tangible fixed assets		(17,224)	(8,432)
Purchase of non controlling interest		(75,000)	-
Part sale to non controlling interest		-	15,000
Disposal of CI (net of cash disposed)		226,059	-
Net cash from investing activities		<u>133,835</u>	<u>2,272</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(25,577)	(158,177)
Amount introduced by directors		215,000	368,337
Amount withdrawn by directors		(214,665)	(440,876)
Decrease in invoice finance liability		-	608,137
Dividends paid to NCI		(374,955)	(301,044)
Equity dividends paid		(817,878)	(472,771)
Net cash from financing activities		<u>(1,218,075)</u>	<u>(396,394)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(70,807)</u>	<u>(38,846)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	123,447	162,293
<b>Cash and cash equivalents at end of year</b>	2	<u><u>52,640</u></u>	<u><u>123,447</u></u>

The notes form part of these financial statements



**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 28 February 2023**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2023 £	2022 £
Profit before taxation	617,432	1,488,141
Depreciation charges	36,675	37,882
Loss on disposal of fixed assets	202,364	2,001
Finance costs	10,206	9,267
	<u>866,677</u>	<u>1,537,291</u>
Decrease/(increase) in trade and other debtors	928,421	(256,289)
Decrease in trade and other creditors	(432,437)	(764,051)
<b>Cash generated from operations</b>	<u><u>1,362,661</u></u>	<u><u>516,951</u></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 28 February 2023**

	28.2.23 £	1.3.22 £
Cash and cash equivalents	<u><u>52,640</u></u>	<u><u>123,447</u></u>

**Year ended 28 February 2022**

	28.2.22 £	1.3.21 £
Cash and cash equivalents	<u><u>123,447</u></u>	<u><u>162,293</u></u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.3.22 £	Cash flow £	At 28.2.23 £
<b>Net cash</b>			
Cash at bank and in hand	<u>123,447</u>	<u>(70,807)</u>	<u>52,640</u>
	<u>123,447</u>	<u>(70,807)</u>	<u>52,640</u>
<b>Debt</b>			
Debts falling due within 1 year	(25,563)	4,725	(20,838)
Debts falling due after 1 year	<u>(205,679)</u>	<u>61,974</u>	<u>(143,705)</u>
	<u>(231,242)</u>	<u>66,699</u>	<u>(164,543)</u>
<b>Total</b>	<u><u>(107,795)</u></u>	<u><u>(4,108)</u></u>	<u><u>(111,903)</u></u>

**Notes to the Consolidated Financial Statements  
for the Year Ended 28 February 2023**

**1. STATUTORY INFORMATION**

Jarell 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 General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**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.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Turnover arising from temporary placements is recognised over the period that temporary workers are provided.

Turnover arising from the placement of permanent candidates is recognised at the time the candidate commences full-time employment. Provision is made for the expected cost of meeting obligations where employees do not work for the specified contractual period.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2019, is being amortised evenly over its estimated useful life of five 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.

Computer software is being amortised evenly over its estimated useful life of five years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 33% on cost and 20% on cost
Fixtures and fittings	- 25% on reducing balance, 20% on cost and 15% on cost
Computer equipment	- 33% on cost, 25% on cost and 25% on reducing balance

The assets are stated at bought in cost.

**Investments in associates**

Investments in associate undertakings are recognised at cost.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

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

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Going concern**

These financial statements have been prepared on a going concern basis. The group is returning profits which have continued post year end & has secured sufficient finance to continue to support its operations. The Directors anticipate that the Group's trading results will continue to be positive in the forthcoming period..

The group retains the support of its banking facilities.

**Factoring arrangements**

The company has entered into a confidential invoice discounting arrangement in order to assist with cash management and day to day working capital requirements. Debts approved by the factor company are assigned with recourse. Debtors are reflected gross within current assets, with the related factoring advance reflected gross within current liabilities.

**Debtors and creditors within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.#

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit and loss on a straight line basis over the period of the lease.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023**

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Certain amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on managements best knowledge of the relevant facts and circumstances, having regards to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in these accounting policies and/or the notes to the financial statements and the key area's are summarised below:

Sources of estimation;

Sales Reserves

All sales invoices for temporary workers are raised weekly or fortnightly in arrears.

Where the period end falls mid week sales are allocated daily on a pro rata basis.

Purchases reserves

All purchase invoices for temporary workers are raised weekly or fortnightly in arrears.

Where the period end falls mid week costs are allocated daily on a pro rata basis.

Wage Reserves

All wages for temporary workers are paid weekly or fortnightly in arrears.

Where the period end falls mid week costs are allocated daily on a pro rata basis.

**4. EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Wages and salaries	18,442,394	28,043,904
Social security costs	673,747	864,585
Other pension costs	85,779	110,140
	<u>19,201,920</u>	<u>29,018,629</u>

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

	2023	2022
Monthly	43	42
Weekly	455	595
Directors	1	1
	<u>499</u>	<u>638</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 499 (2022 - 638).

The cost of bought in labour included in wage costs is £9,815,668 (2022: £16,119,896).

	2023	2022
	£	£
Director's remuneration	<u>-</u>	<u>-</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023**

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation - owned assets	25,784	26,911
Loss on disposal of fixed assets	202,364	2,001
Goodwill amortisation	8,662	8,813
Computer software amortisation	2,229	2,158
Auditors' remuneration	28,450	28,450
Auditors' remuneration for non audit work	25,264	21,063
Operating leases- rent	123,243	111,853
	<u>          </u>	<u>          </u>

**6. EXCEPTIONAL ITEMS**

	2023	2022
	£	£
Exceptional items	(566,704)	(242,396)
	<u>          </u>	<u>          </u>

During the prior year the group received a number of VAT assessments from HMRC in connection with VAT reclaimed on invoices arising from an outsourced payroll arrangement. There is an ongoing dialogue with HMRC as to whether this input tax is reclaimable.

The group are currently in a mediation process with HMRC. However the directors have now provided for the VAT liability in the current year, The potential liability to the company is £566,704.

During the prior year the group wrote off irrecoverable debts from related companies of £242,396.

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022
	£	£
Bank loan interest	5,489	9,267
Interest on late tax	4,717	-
	<u>          </u>	<u>          </u>
	10,206	9,267
	<u>          </u>	<u>          </u>

**8. TAXATION****Analysis of the tax charge**

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	168,461	337,421
prior year adjustment	(21)	-
	<u>          </u>	<u>          </u>
Total current tax	168,440	337,421
Deferred tax	850	(3,152)
	<u>          </u>	<u>          </u>
Tax on profit	169,290	334,269
	<u>          </u>	<u>          </u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 28 February 2023**

**8. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Profit before tax	<u>617,432</u>	<u>1,488,141</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	117,312	282,747
Effects of:		
Expenses not deductible for tax purposes	48,854	52,197
Goodwill Amortisation	1,691	2,084
Super Deduction	(875)	-
Other	<u>2,308</u>	<u>(2,759)</u>
Total tax charge	<u>169,290</u>	<u>334,269</u>

**9. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**10. DIVIDENDS**

	2023 £	2022 £
A Ordinary shares of £0.1 each Interim	601,000	363,000
B Ordinary shares of £0.1 each Interim	102,411	20,771
C Ordinary shares of £0.1 each Interim	<u>114,467</u>	<u>89,000</u>
	<u>817,878</u>	<u>472,771</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023

## 11. INTANGIBLE FIXED ASSETS

**Group**

	Goodwill £	Computer software £	Totals £
<b>COST</b>			
At 1 March 2022 and 28 February 2023	1,363,077	11,146	1,374,223
<b>AMORTISATION</b>			
At 1 March 2022	1,344,367	5,126	1,349,493
Amortisation for year	8,662	2,229	10,891
At 28 February 2023	1,353,029	7,355	1,360,384
<b>NET BOOK VALUE</b>			
At 28 February 2023	10,048	3,791	13,839
At 28 February 2022	18,710	6,020	24,730

**Company**

	Goodwill £
<b>COST</b>	
At 1 March 2022 and 28 February 2023	14,765
<b>AMORTISATION</b>	
At 1 March 2022 and 28 February 2023	14,765
<b>NET BOOK VALUE</b>	
At 28 February 2023	-
At 28 February 2022	-

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023

## 12. TANGIBLE FIXED ASSETS

## Group

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 March 2022	12,391	90,593	142,804	245,788
Additions	-	8,824	8,400	17,224
Disposals	-	(9,080)	(8,641)	(17,721)
At 28 February 2023	12,391	90,337	142,563	245,291
<b>DEPRECIATION</b>				
At 1 March 2022	9,084	70,788	109,388	189,260
Charge for year	2,374	5,217	18,193	25,784
Eliminated on disposal	-	(1,696)	(4,604)	(6,300)
At 28 February 2023	11,458	74,309	122,977	208,744
<b>NET BOOK VALUE</b>				
At 28 February 2023	933	16,028	19,586	36,547
At 28 February 2022	3,307	19,805	33,416	56,528

## 13. FIXED ASSET INVESTMENTS

## Group

	Interest in associate £
<b>COST</b>	
Additions	30,967
At 28 February 2023	30,967
<b>NET BOOK VALUE</b>	
At 28 February 2023	30,967

## Company

	Shares in group undertakings £
<b>COST</b>	
At 1 March 2022	2,071,267
Additions	75,000
Disposals	(40)
At 28 February 2023	2,146,227
<b>NET BOOK VALUE</b>	
At 28 February 2023	2,146,227
At 28 February 2022	2,071,267



**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 28 February 2023**

**13. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries****Qualtech Resourcing Limited**

Registered office: 60 Church street, B3 2DJ. England and Wales

Nature of business: Technical recruitment agency

	%	2023	2022
	holding	£	£
Class of shares:			
Ordinary shares of £1 each	100.00		
Aggregate capital and reserves		(159,135)	54,562
(Loss)/profit for the year		<u>(213,697)</u>	<u>957</u>

**Capital Outsourcing Group (UK) Limited**

Registered office: 60 Church street, B3 2DJ. England and Wales

Nature of business: Holding co. of companies which provide labour

	%	2023	2022
	holding	£	£
Class of shares:			
Ordinary shares of £1 each	100.00		
Aggregate capital and reserves		<u>65,686</u>	<u>65,686</u>

**Capital Pharma Limited**

Registered office: 60 Church street, B3 2DJ. England and Wales

Nature of business: Recruitment agency

	%	2023	2022
	holding	£	£
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(196,693)	(195,104)
Loss for the year		<u>(1,589)</u>	<u>(1,382)</u>

**Ocsor Group Limited**

Registered office: 60 Church street, B3 2DJ. England and Wales

Nature of business: Workforce training

	%	2023	2022
	holding	£	£
Class of shares:			
Ordinary Shares	100.00		
Aggregate capital and reserves		(145)	(145)
Profit for the year		<u>-</u>	<u>19</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 28 February 2023**

**13. FIXED ASSET INVESTMENTS - continued****Rocket Staffing limited**

Registered office: 60 Church street, B3 2DJ. England and Wales

Nature of business: Recruitment agency

	%		
Class of shares:	holding		
Ordinary	75.00		
		2023	2022
		£	£
Aggregate capital and reserves		104,756	60,678
Profit for the year		<u>44,078</u>	<u>56,234</u>

**Capital Outsourcing Group Limited**

Registered office: 60 Church street, B3 2DJ. England and Wales

Nature of business: recruitment agency

	%		
Class of shares:	holding		
Ordinary	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		1,128,220	1,190,444
(Loss)/profit for the year		<u>(62,224)</u>	<u>362,707</u>

**Capital Outsourcing Group Food Limited**

Registered office: 60 Church street, B3 2DJ. England and Wales

Nature of business: recruitment agency

	%		
Class of shares:	holding		
Ordinary	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		254,468	360,730
(Loss)/profit for the year		<u>(106,262)</u>	<u>159,326</u>

**Associated company****GMP Recruitment Limited**

Registered office: 60 Church street, B3 2DJ. England and Wales

Nature of business: Recruitment Agency

	%		
Class of shares:	holding		
Ordinary	25.00		
		2023	2022
		£	£
Aggregate capital and reserves		123,968	86,795
Profit for the year		<u>37,173</u>	<u>49,953</u>

On 28th February 2023 the group disposed of a controlling interest in GMP Recruitment limited.

The pre tax profit up to this date included in the consolidated profit & loss account was £461,597.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	3,502,363	4,694,221	-	-
Other debtors	32,271	145,852	18,033	-
Amounts due from related party	209,241	254,067	148,269	188,583
Directors' current accounts	261,492	261,827	261,492	261,827
Prepayments	78,108	71,689	-	-
	<u>4,083,475</u>	<u>5,427,656</u>	<u>427,794</u>	<u>450,410</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 17)	20,838	25,563	-	-
Trade creditors	1,122,213	1,834,761	-	-
Amounts owed to group undertakings	-	-	2,227,297	2,349,936
Amounts owed to associates	242,542	-	242,542	-
Tax	78,595	339,083	-	-
Social security and other taxes	81,419	169,990	-	-
VAT	1,299,879	610,305	-	-
Other creditors	27,457	290,130	4,851	-
Factoring liability	2,321,391	2,328,201	-	-
Amounts due to related parties	223,376	244,703	92,946	165,658
Accruals and deferred income	329,620	785,678	-	-
	<u>5,747,330</u>	<u>6,628,414</u>	<u>2,567,636</u>	<u>2,515,594</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2023	2022
	£	£
Bank loans (see note 17)	<u>143,705</u>	<u>205,679</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023**

**17. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>20,838</u>	<u>25,563</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>21,100</u>	<u>26,210</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>66,554</u>	<u>82,671</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>56,051</u>	<u>96,798</u>

**18. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

<b>Group</b>	<b>Non-cancellable operating leases</b>	
	2023	2022
	£	£
Within one year	64,494	55,551
Between one and five years	214,616	154,286
In more than five years	<u>25,743</u>	<u>44,579</u>
	<u>304,853</u>	<u>254,416</u>

**19. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	2023	2022
	£	£
Bank loans	164,543	231,242
Factoring Liability	<u>2,321,391</u>	<u>2,328,200</u>
	<u>2,485,934</u>	<u>2,559,442</u>

The factoring liability is secured on debts to which the arrangement relates and an all asset debenture. The funding is subject to an overall borrowing limit of £3,900,000. This is a shared facility within the group.

The bank loans have a fixed interest rate of 2.5% over a 10 year term ending May 2030. They are secured via government guarantee.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 28 February 2023**

**20. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	2023	2022
	£	£
Deferred tax	<u>3,710</u>	<u>5,785</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 March 2022		5,785
Provided during year		(2,075)
Accelerated capital allowances		
Balance at 28 February 2023		<u>3,710</u>

**21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2023	2022
			£	£
872	A Ordinary	£0.1	87	87
100	B Ordinary	£0.1	10	10
41	C Ordinary	£0.1	4	4
			<u>101</u>	<u>101</u>

**22. RESERVES**

<b>Group</b>		
		Retained earnings
		£
At 1 March 2022		(1,233,381)
Profit for the year		269,971
Dividends		(817,878)
Acquisition of non-contr int		77,746
At 28 February 2023		<u>(1,703,542)</u>
<b>Company</b>		
		Retained earnings
		£
At 1 March 2022		6,125
Profit for the year		818,599
Dividends		(817,878)
At 28 February 2023		<u>6,846</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 28 February 2023**

**23. NON-CONTROLLING INTERESTS**

Several of the subsidiaries have non controlling interests which have been adjusted for a follows;

	2023	2022
Brought forward	25,764	103,007
Minority interest share of profits/(loss)	178,171	220,192
Adjust to b/fwd minority re: sale to NCI	349,930	3,609
Purchase of NCI	(152,746)	-
Dividends paid to minority interests	(374,955)	(301,044)
	<u>26,164</u>	<u>25,764</u>
Carried forward	<u>26,164</u>	<u>25,764</u>

**24. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 28 February 2023 and 28 February 2022:

	2023 £	2022 £
<b>R E Sobol</b>		
Balance outstanding at start of year	261,827	189,289
Amounts advanced	600,665	440,875
Amounts repaid	(601,000)	(368,337)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>261,492</u>	<u>261,827</u>

**25. RELATED PARTY DISCLOSURES****Key management personnel of the entity or its parent (in the aggregate)**

	2023 £	2022 £
Professional fees	<u>60,025</u>	<u>113,674</u>

**Other related parties**

	2023 £	2022 £
Purchases	93,335	52,152
Recharged overheads	6,182	3,677
Amount due from related party	210,018	254,069
Amount due to related party	223,377	244,704
Recognised bad or doubtful debts due from related parties	<u>-</u>	<u>242,396</u>