

Company registration number 08056916 (England and Wales)

**RUSSELL TAYLOR HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

## RUSSELL TAYLOR HOLDINGS LIMITED

### COMPANY INFORMATION

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<b>Directors</b>	B P Russell S L M Jones
<b>Company number</b>	08056916
<b>Registered office</b>	Burton Manor The Village Burton Cheshire CH64 5SJ
<b>Auditor</b>	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR

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## RUSSELL TAYLOR HOLDINGS LIMITED

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## RUSSELL TAYLOR HOLDINGS LIMITED

### STRATEGIC REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### **Fair review of the business**

Russell Taylor Holdings Limited is a non-trading holding company. The Group is a technical and engineering recruitment business, with its head office in Burton, Cheshire. It provides temporary and permanent recruitment solutions to over 250 clients across the UK.

There have not been any significant changes to the group's principal activities during the year under review. The directors are not aware, at the date of this report, of any likely changes to the principal activities in the next year.

#### **Financial Performance**

The financial performance in 2021 was still partly adversely affected by Covid 19. Turnover was back up from £23.3m in 2020, to £31.7m in 2021. Gross profits have seen a similar increase, up from £4.5m in 2020 to £5.7m in 2021. The turnover achieved in 2021 was more heavily weighted to temporary recruitment, and with a shortage of skilled labour, we are seeing higher wages, which has affected our temporary placement gross margin. The key focus of the group in 2022 is to increase the permanent placement income and improve the temporary placement margin.

Profit before tax has been slightly affected by the Covid 19 pandemic with a return to net profit of £606k in 2021 compared to a loss before tax of £120k in 2020. The group has started a strong recovery from Covid 19, although this position is not as strong as pre Covid, we expect the upturn to continue. The board are pleased with the group's management of the pandemic, and have managed our costs and cash flow well through 2021 and early 2022.

The group balance sheet has both positive net current assets and net assets, and is strengthening this further in 2022, with strong results, in what has become a very buoyant recruitment market. The future cash flows are forecasted to be positive through to 31 December 2022, and the group is forecasting the ability to meet all its liabilities in the foreseeable future, not less than 12 months from the approval of these financial statements.

The outlook for 2022 is strong, with an expected turnover of £40m, gross margin of £6.8m, and an EBITDA of £1.7m.

#### **Operational**

The group has maintained its existing office footprint, but invested in bringing in experienced and well-regarded key hires in the sectors we wish to grow our business in.

The key performance indicator the group focuses on more than any other is gross margin %. Many of our competitors work to gross margins below 10%, however due to our strong product offering and good mix of permanent placements, we have achieved a gross margin of 18.1%. This is down from 19.3% in 2020, and this was due to lower permanent recruit hires during the year and also due to coming out of the pandemic. We are focusing heavily on returning our gross margin % to 20% by 2023.

#### **Review of the business**

The group delivered stronger sales in 2021 due to being able to capitalise on its strong client relationships after the effect of Covid 19. 2022 is already expected to be a record year for sales, gross margin and net profit.

#### **People**

People are the most important asset to our business, and we invest heavily in their welfare, training and development. The majority of our senior management team have grown from junior roles in the business.

Russell Taylor Group is an Investor in People and ISO registered business.

In 2022 we have recruited to strengthen our team and now have the largest number of staff in the business. It has been a challenge to recruit staff in 2022 to work within the business, due to shortages of people available on the market. This has hindered growth slightly but the group has invested heavily in recruiting and training from different industries and also trainees.

## RUSSELL TAYLOR HOLDINGS LIMITED

### STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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#### **Principal risks and uncertainties**

The group categorises risk into the following categories:

Bad Debt Risk – the group's debts are insured under a bad debt insurance policy. We also have a bad debt provision in our budgets of 1%.

Liquidity Risk – the business is strengthening its balance sheet each year and secured a new invoice discounting facility in 2021 with Investec.

Competitive Risk – strong relationships with customers, and a strong sales pipeline negate this risk.

Covid 19 Risk – the group clearly lost opportunities to make profits and strengthen its balance sheet during the Covid 19 pandemic, but has bounced back well. We also have processes in place to protect our workforce and have updated our IT infrastructure to enable working from home or other offices, should there be another Covid outbreak.

#### **Future developments**

The outlook is very strong for the group, and the board are looking forward to presenting the 2022 results.

On behalf of the board

B P Russell  
**Director**

28 September 2022

## RUSSELL TAYLOR HOLDINGS LIMITED

### DIRECTORS' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the group continued to be that of recruitment services.

#### Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £95,613. The directors do not recommend payment of a further dividend.

#### Directors

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

B P Russell  
S L M Jones

#### Auditor

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

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and 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 auditor of the company 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 auditor of the company is aware of that information.

**RUSSELL TAYLOR HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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On behalf of the board

B P Russell  
**Director**

28 September 2022

## RUSSELL TAYLOR HOLDINGS LIMITED

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF RUSSELL TAYLOR HOLDINGS LIMITED

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##### Opinion

We have audited the financial statements of Russell Taylor Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 December 2021 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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 directors with respect to going concern are described in the relevant sections of this report.

##### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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.

## RUSSELL TAYLOR HOLDINGS LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF RUSSELL TAYLOR HOLDINGS LIMITED

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

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

##### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

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

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.

## RUSSELL TAYLOR HOLDINGS LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF RUSSELL TAYLOR HOLDINGS LIMITED

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We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: laws related to employment, health and safety and data protection.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**RUSSELL TAYLOR HOLDINGS LIMITED**

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

**TO THE MEMBERS OF RUSSELL TAYLOR HOLDINGS LIMITED**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

**Paul Stansfield (Senior Statutory Auditor)**  
**For and on behalf of Cowgill Holloway LLP**

28 September 2022

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

Regency House  
45-53 Chorley New Road  
Bolton  
BL1 4QR

**RUSSELL TAYLOR HOLDINGS LIMITED**

**GROUP STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
	Notes	£	as restated £
<b>Turnover</b>	<b>3</b>	31,738,072	23,306,992
Cost of sales		(25,988,076)	(18,818,905)
<b>Gross profit</b>		5,749,996	4,488,087
Administrative expenses		(5,219,165)	(5,237,127)
Other operating income		288,915	912,331
<b>Operating profit</b>	<b>4</b>	819,746	163,291
Interest receivable and similar income	<b>8</b>	16,488	10,434
Interest payable and similar expenses	<b>9</b>	(229,824)	(294,181)
<b>Profit/(loss) before taxation</b>		606,410	(120,456)
Tax on profit/(loss)	<b>10</b>	(88,535)	(27,763)
<b>Profit/(loss) for the financial year</b>		517,875	(148,219)
Profit/(loss) for the financial year is attributable to:			
- Owners of the parent company		388,151	(148,321)
- Non-controlling interests		129,724	102
		517,875	(148,219)
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		388,151	(148,321)
- Non-controlling interests		129,724	102
		517,875	(148,219)

**RUSSELL TAYLOR HOLDINGS LIMITED**

**GROUP BALANCE SHEET**

**AS AT 31 DECEMBER 2021**

	Notes	2021		2020 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	13		157,175		222,313
Other intangible assets	13		50,000		50,000
Total intangible assets			207,175		272,313
Tangible assets	14		614,991		573,559
			822,166		845,872
<b>Current assets</b>					
Debtors	17	8,441,513		7,035,471	
Cash at bank and in hand		10,557		234,547	
			8,452,070		7,270,018
<b>Creditors: amounts falling due within one year</b>					
	18	(7,680,330)		(6,162,573)	
<b>Net current assets</b>			771,740		1,107,445
<b>Total assets less current liabilities</b>			1,593,906		1,953,317
<b>Creditors: amounts falling due after more than one year</b>					
	19		(651,964)		(964,053)
<b>Provisions for liabilities</b>					
Deferred tax liability	22	73,680		60,264	
			(73,680)		(60,264)
<b>Net assets</b>			868,262		929,000
<b>Capital and reserves</b>					
Called up share capital	24		21,000		21,000
Profit and loss reserves			1,044,909		845,227
<b>Equity attributable to owners of the parent company</b>			1,065,909		866,227
<b>Non-controlling interests</b>			(197,647)		62,773
			868,262		929,000

**RUSSELL TAYLOR HOLDINGS LIMITED**

**GROUP BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2021***

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The financial statements were approved by the board of directors and authorised for issue on 28 September 2022 and are signed on its behalf by:

B P Russell  
**Director**

**RUSSELL TAYLOR HOLDINGS LIMITED**

**COMPANY BALANCE SHEET**

**AS AT 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Investments	15		207,436		57,436
<b>Current assets</b>					
Debtors	17	737,327		814,356	
Cash at bank and in hand		5		-	
		<u>737,332</u>		<u>814,356</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(944,279)</u>		<u>(862,839)</u>	
<b>Net current liabilities</b>			<u>(206,947)</u>		<u>(48,483)</u>
<b>Net assets</b>			<u>489</u>		<u>8,953</u>
<b>Capital and reserves</b>					
Called up share capital	24		21,000		21,000
Profit and loss reserves			<u>(20,511)</u>		<u>(12,047)</u>
<b>Total equity</b>			<u>489</u>		<u>8,953</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £87,149 (2020 - £32,728 profit).

The financial statements were approved by the board of directors and authorised for issue on 28 September 2022 and are signed on its behalf by:

B P Russell  
Director

Company Registration No. 08056916

**RUSSELL TAYLOR HOLDINGS LIMITED**

**GROUP STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Share capital £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
<b>As restated for the period ended 31 December 2020:</b>						
<b>Balance at 1 January 2020</b>		21,000	977,800	998,800	177,671	1,176,471
Effect of restatement of prior year		-	15,748	15,748	-	15,748
<b>As restated</b>		21,000	993,548	1,014,548	177,671	1,192,219
<b>Year ended 31 December 2020:</b>						
Loss and total comprehensive income for the year		-	(148,321)	(148,321)	102	(148,219)
Dividends	11	-	-	-	(115,000)	(115,000)
<b>Balance at 31 December 2020</b>		21,000	845,227	866,227	62,773	929,000
<b>Year ended 31 December 2021:</b>						
Profit and total comprehensive income for the year		-	388,151	388,151	129,724	517,875
Dividends	11	-	(115,613)	(115,613)	(463,000)	(578,613)
Purchase of shares in subsidiary from non-controlling interest		-	(72,856)	(72,856)	72,856	-
<b>Balance at 31 December 2021</b>		21,000	1,044,909	1,065,909	(197,647)	868,262

**RUSSELL TAYLOR HOLDINGS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
<b>Balance at 1 January 2020</b>	21,000	(44,775)	(23,775)
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	32,728	32,728
<b>Balance at 31 December 2020</b>	21,000	(12,047)	8,953
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	87,149	87,149
Dividends	11	(95,613)	(95,613)
<b>Balance at 31 December 2021</b>	21,000	(20,511)	489

**RUSSELL TAYLOR HOLDINGS LIMITED**

**GROUP STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	30		878,106		(741,884)
Interest paid			(229,824)		(294,181)
Income taxes paid			(98,315)		(86,843)
<b>Net cash inflow/(outflow) from operating activities</b>			<u>549,967</u>		<u>(1,122,908)</u>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(75,795)		(99,342)	
Proceeds on disposal of tangible fixed assets		11,095		-	
Receipts arising from loans made		89,194		384,986	
Interest received		16,488		10,434	
<b>Net cash generated from investing activities</b>			<u>40,982</u>		<u>296,078</u>
<b>Financing activities</b>					
Proceeds from borrowings		111,000		-	
Proceeds of new bank loans		-		1,200,000	
Repayment of bank loans		(309,027)		(33,333)	
Payment of finance leases obligations		(38,299)		(16,569)	
Dividends paid to equity shareholders		(115,613)		-	
Dividends paid to non-controlling interests		(463,000)		(115,000)	
<b>Net cash (used in)/generated from financing activities</b>			<u>(814,939)</u>		<u>1,035,098</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<u>(223,990)</u>		<u>208,268</u>
Cash and cash equivalents at beginning of year			<u>234,547</u>		<u>26,279</u>
<b>Cash and cash equivalents at end of year</b>			<u><u>10,557</u></u>		<u><u>234,547</u></u>

## RUSSELL TAYLOR HOLDINGS LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Company information

Russell Taylor Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Burton Manor, The Village, Burton, Cheshire, CH64 5SJ.

The group consists of Russell Taylor Holdings Limited and all of its subsidiaries.

##### 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 under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

##### 1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

## RUSSELL TAYLOR HOLDINGS LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Russell Taylor Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

##### 1.4 Going concern

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

##### 1.5 Turnover

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

Revenue from temporary placements, which represents amounts billed for services of temporary staff, is recognised when the service has been provided. Revenue from permanent placements is recognised at the date when an offer is accepted by a candidate and a starting date has been determined. This includes revenue anticipated, but not invoiced, at the balance sheet date which is accrued on the balance sheet within prepayments and accrued income.

##### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

##### 1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**1 Accounting policies**

(Continued)

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

Customer relationship	Non-depreciating
-----------------------	------------------

**1.8 Tangible fixed assets**

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

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

Leasehold land and buildings	10% p.a. straight line
Plant and equipment	15% p.a. straight line
Computers and software	15% p.a. straight line
Motor vehicles	15% p.a. straight line

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 recognised in the profit and loss account.

**1.9 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.10 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

## RUSSELL TAYLOR HOLDINGS LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 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.

#### 1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

## RUSSELL TAYLOR HOLDINGS LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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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 group 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 group after deducting all of its liabilities.

##### **Basic financial 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.

##### **Derecognition of financial liabilities**

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

#### 1.13 Equity instruments

Equity instruments issued by the group 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 group.

#### 1.14 Taxation

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

## RUSSELL TAYLOR HOLDINGS LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### **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 group'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 if, and only if, there is 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.

#### 1.15 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.

#### 1.16 Retirement benefits

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

#### 1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 leased asset are consumed.

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**1 Accounting policies (Continued)**

**1.18 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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

In the application of the group's accounting policies, the directors are 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.

**3 Turnover and other revenue**

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Recruitment services	31,738,072	23,306,992
	<u>                    </u>	<u>                    </u>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Other revenue</b>		
Interest income	16,488	10,434
Grants received	288,915	912,331
	<u>                    </u>	<u>                    </u>

**4 Operating profit**

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(288,915)	(912,331)
Depreciation of owned tangible fixed assets	71,338	180,992
Depreciation of tangible fixed assets held under finance leases	16,987	8,189
Reversal of past impairment of tangible fixed assets	(1,930)	-
Loss on disposal of tangible fixed assets	14,613	-
Amortisation of intangible assets	65,138	65,138
Operating lease charges	177,760	163,863
	<u>                    </u>	<u>                    </u>

Government grants received in both 2021 and 2020 related to claims made for the Coronavirus Job Retention Scheme.

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**5 Auditor's remuneration**

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	32,500	34,250
<b>For other services</b>		
Taxation compliance services	-	2,250

**6 Employees**

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Administration	92	101	-	-

Their aggregate remuneration comprised:

	Group 2021 £	2020 as restated £	Company 2021 £	2020 £
Wages and salaries	9,196,377	6,140,900	-	-
Social security costs	688,327	373,447	-	-
Pension costs	120,394	113,880	-	-
	10,005,098	6,628,227	-	-

Operational workers, who are retained under a contract for services and are used in the daily operation of the group as a recruitment and employment agency, are not included in the average number of employees above. The average number of operational workers for the year was 358 (2020: 186).

These workers are not legally classified as employees but their costs are included within wages and salaries.

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>7 Directors' remuneration</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	58,301	52,597
Company pension contributions to defined contribution schemes	1,318	1,314
	<u>59,619</u>	<u>53,911</u>
	<u><u>59,619</u></u>	<u><u>53,911</u></u>
<p>The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).</p>		
<b>8 Interest receivable and similar income</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Other interest income	16,488	10,434
	<u>16,488</u>	<u>10,434</u>
	<u><u>16,488</u></u>	<u><u>10,434</u></u>
<b>9 Interest payable and similar expenses</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and loans	20,272	57,048
Interest on invoice finance arrangements	163,574	137,046
Other interest on financial liabilities	5,744	23,400
Interest on finance leases and hire purchase contracts	5,150	4,194
Other interest	35,084	72,493
	<u>229,824</u>	<u>294,181</u>
Total finance costs	<u><u>229,824</u></u>	<u><u>294,181</u></u>
<b>10 Taxation</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	120,148	30,522
Adjustments in respect of prior periods	(5,029)	-
	<u>115,119</u>	<u>30,522</u>
Total current tax	<u><u>115,119</u></u>	<u><u>30,522</u></u>

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

10 Taxation	(Continued)	
	2021	2020
	£	£
<b>Deferred tax</b>		
Origination and reversal of timing differences	13,416	(3,714)
Changes in tax rates	-	955
Tax losses carried forward	(40,000)	-
	<u>          </u>	<u>          </u>
Total deferred tax	(26,584)	(2,759)
	<u>          </u>	<u>          </u>
 Total tax charge	 88,535	 27,763
	<u>          </u>	<u>          </u>

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

	2021	2020
	£	as restated £
Profit/(loss) before taxation	606,410	(120,456)
	<u>          </u>	<u>          </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	115,218	(22,887)
Tax effect of expenses that are not deductible in determining taxable profit	20,412	36,629
Change in unrecognised deferred tax assets	(39,115)	925
Adjustments in respect of prior years	(5,029)	-
Effect of change in corporation tax rate	-	8,059
Permanent capital allowances in excess of depreciation	(4,927)	-
Depreciation on assets not qualifying for tax allowances	1,976	1,864
Deferred tax adjustments in respect of prior years	-	5,465
Other movements	-	(2,292)
	<u>          </u>	<u>          </u>
Taxation charge	88,535	27,763
	<u>          </u>	<u>          </u>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 24th February 2022). These include an increase to the main rate to 25% from April 2023.

11 Dividends	2021	2020
	£	£
Recognised as distributions to equity holders:		
Final paid	95,613	-
	<u>          </u>	<u>          </u>

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**12 Impairments**

Reversals of previous impairment losses have been recognised in profit or loss as follows:

	Notes	2021 £	2020 £
In respect of:			
Property, plant and equipment	14	1,930	-
		<u>1,930</u>	<u>-</u>
Recognised in:			
Administrative expenses		1,930	-
		<u>1,930</u>	<u>-</u>

**13 Intangible fixed assets**

Group	Goodwill £	Customer relationship £	Total £
<b>Cost</b>			
At 1 January 2021 and 31 December 2021	325,688	50,000	375,688
	<u>325,688</u>	<u>50,000</u>	<u>375,688</u>
<b>Amortisation and impairment</b>			
At 1 January 2021	103,375	-	103,375
Amortisation charged for the year	65,138	-	65,138
	<u>168,513</u>	<u>-</u>	<u>168,513</u>
At 31 December 2021	168,513	-	168,513
	<u>168,513</u>	<u>-</u>	<u>168,513</u>
<b>Carrying amount</b>			
At 31 December 2021	157,175	50,000	207,175
	<u>157,175</u>	<u>50,000</u>	<u>207,175</u>
At 31 December 2020	222,313	50,000	272,313
	<u>222,313</u>	<u>50,000</u>	<u>272,313</u>

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

More information on impairment movements in the year is given in note 12.

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**14 Tangible fixed assets**

Group	Leasehold land and buildings	Plant and equipment	Computers and software	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2021	72,319	559,465	230,956	247,270	1,110,010
Additions	-	84,180	4,665	64,690	153,535
Disposals	-	(76,558)	(32,857)	(32,477)	(141,892)
At 31 December 2021	<u>72,319</u>	<u>567,087</u>	<u>202,764</u>	<u>279,483</u>	<u>1,121,653</u>
<b>Depreciation and impairment</b>					
At 1 January 2021	13,231	289,811	136,936	96,473	536,451
Depreciation charged in the year	8,370	35,552	9,019	35,384	88,325
Reversal of past impairment	-	-	(1,930)	-	(1,930)
Eliminated in respect of disposals	-	(76,558)	(21,762)	(17,864)	(116,184)
At 31 December 2021	<u>21,601</u>	<u>248,805</u>	<u>122,263</u>	<u>113,993</u>	<u>506,662</u>
<b>Carrying amount</b>					
At 31 December 2021	<u>50,718</u>	<u>318,282</u>	<u>80,501</u>	<u>165,490</u>	<u>614,991</u>
At 31 December 2020	<u>59,088</u>	<u>269,654</u>	<u>94,020</u>	<u>150,797</u>	<u>573,559</u>

The company had no tangible fixed assets at 31 December 2021 or 31 December 2020.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Fixtures and fittings	18,190	22,049	-	-
Motor vehicles	36,225	14,173	-	-
Computers and software	32,166	-	-	-
	<u>86,581</u>	<u>36,222</u>	<u>-</u>	<u>-</u>

More information on impairment movements in the year is given in note 12.

**15 Fixed asset investments**

	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	16	-	-	207,436
		<u>-</u>	<u>-</u>	<u>57,436</u>

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**15 Fixed asset investments (Continued)**

**Movements in fixed asset investments**  
**Company**

**Shares in subsidiaries**  
**£**

**Cost or valuation**

At 1 January 2021	57,436
Additions	150,000
At 31 December 2021	207,436

**Carrying amount**

At 31 December 2021	207,436
At 31 December 2020	57,436

**16 Subsidiaries**

Details of the company's subsidiaries at 31 December 2021 are as follows:

<b>Name of undertaking</b>	<b>Address</b>	<b>Nature of business</b>	<b>Class of shares held</b>	<b>% Held Direct</b>
Russell Taylor Group Limited	1	Recruitment	Ordinary	80.00
Recruit Right Limited	1	Recruitment	Ordinary	80.00
NMS Recruit Limited	1	Recruitment	Ordinary	75.00
Perpetual Engineering Partnerships Limited	1	Recruitment	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Burton Manor, The Village, Burton, Cheshire, CH64 5SJ

**17 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	5,392,114	4,625,216	-	-
Corporation tax recoverable	-	39,850	-	-
Amounts owed by group undertakings	-	-	207,394	351,691
Other debtors	2,400,485	1,881,182	529,933	462,665
Prepayments and accrued income	608,914	489,223	-	-
	<u>8,401,513</u>	<u>7,035,471</u>	<u>737,327</u>	<u>814,356</u>
Deferred tax asset (note 22)	40,000	-	-	-
	<u>8,441,513</u>	<u>7,035,471</u>	<u>737,327</u>	<u>814,356</u>

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**18 Creditors: amounts falling due within one year**

		Group 2021	2020 as restated	Company 2021	2020
	Notes	£	£	£	£
Bank loans	20	234,031	212,719	-	-
Obligations under finance leases	21	35,231	14,040	-	-
Other borrowings	20	111,000	-	-	-
Trade creditors		197,265	1,065,192	-	-
Amounts owed to group undertakings		-	-	942,223	848,263
Corporation tax payable		235,723	258,769	2,056	1,813
Other taxation and social security		1,151,372	1,128,710	-	-
Other creditors		5,563,510	3,296,468	-	12,763
Accruals and deferred income		152,198	186,675	-	-
		<u>7,680,330</u>	<u>6,162,573</u>	<u>944,279</u>	<u>862,839</u>

Bank loans are secured.

Obligations under hire purchase agreements are secured against the assets to which they relate.

Other creditors includes £4,762,593 (2020: £3,259,353) in respect of Invoice Discounting facilities, which are secured on trade debtors.

Other creditors also includes £111,000 (2020: £nil) in respect of a short term loan which is secured by a personal guarantee provided by one of the company's directors.

**19 Creditors: amounts falling due after more than one year**

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Bank loans	20	623,609	953,948	-	-
Obligations under finance leases	21	28,355	10,105	-	-
		<u>651,964</u>	<u>964,053</u>	<u>-</u>	<u>-</u>

Bank loans are secured.

Obligations under hire purchase agreements are secured against the assets to which they relate.

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	53,145	-	-
	<u>-</u>	<u>53,145</u>	<u>-</u>	<u>-</u>

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**20 Loans and overdrafts**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£	£	£	£
Bank loans	857,640	1,166,667	-	-
Other loans	111,000	-	-	-
	<u>968,640</u>	<u>1,166,667</u>	<u>-</u>	<u>-</u>
Payable within one year	345,031	212,719	-	-
Payable after one year	623,609	953,948	-	-
	<u>968,640</u>	<u>1,166,667</u>	<u>-</u>	<u>-</u>

Bank loans are secured.

Bank loans relate to Coronavirus Business Interruption Loans (CBILs) and Bounce Back Loans (BBLs) which are repayable over 5-6 years.

Other loans relate to a short term non-bank loan. It is secured by way of a personal guarantee provided by one of the company's directors. Interest is charged at an effective annual rate of 84.6% and the loan is repayable over 3 months.

**21 Finance lease obligations**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	35,231	14,040	-	-
In two to five years	28,355	10,105	-	-
	<u>63,586</u>	<u>24,145</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3-4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**22 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	<b>Liabilities</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Assets</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Group</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	73,680	60,264	-	-
Tax losses	-	-	40,000	-
	<u>73,680</u>	<u>60,264</u>	<u>40,000</u>	<u>-</u>
	<u><u>73,680</u></u>	<u><u>60,264</u></u>	<u><u>40,000</u></u>	<u><u>-</u></u>

The company has no deferred tax assets or liabilities.

	<b>Group</b>	<b>Company</b>
	<b>2021</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Movements in the year:</b>		
Liability at 1 January 2021	60,264	-
Credit to profit or loss	(26,584)	-
	<u>33,680</u>	<u>-</u>
Liability at 31 December 2021	<u><u>33,680</u></u>	<u><u>-</u></u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature.

**23 Retirement benefit schemes**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	120,394	113,880
	<u>120,394</u>	<u>113,880</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

**24 Share capital**

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Group and company</b>	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	19,500	19,500	19,500	19,500
Ordinary A shares of £1 each	1,500	1,500	1,500	1,500
	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>
	<u><u>21,000</u></u>	<u><u>21,000</u></u>	<u><u>21,000</u></u>	<u><u>21,000</u></u>

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**25 Operating lease commitments**

**Lessee**

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	482,679	506,215	-	-
Between two and five years	451,986	659,043	-	-
	<u>934,665</u>	<u>1,165,258</u>	<u>-</u>	<u>-</u>
Reduction in rent payments recognised in profit or loss arising from the COVID-19 pandemic	-	90,000	-	-
	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>-</u>

During 2020, a subsidiary company was granted a temporary 6 month rent free period, as a direct consequence of the Covid-19 pandemic. The amount of the change in the lease payments recognised in the profit and loss as a result of this is set out above.

**26 Related party transactions**

**Transactions with related parties**

During the year the group entered into the following transactions with related parties:

	<b>Sales</b>	<b>Sales</b>	<b>Purchases</b>	<b>Purchases</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Group</b>				
Other related parties	553,164	400,815	11,726,877	227,119
	<u>553,164</u>	<u>400,815</u>	<u>11,726,877</u>	<u>227,119</u>

The following amounts were outstanding at the reporting end date:

<b>Amounts due to related parties</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Other related parties	617,153	-
	<u>617,153</u>	<u>-</u>

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**26 Related party transactions (Continued)**

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021 Balance £	2020 Balance £
<b>Group</b>		
Other related parties	1,518,776	891,949
	<u>1,518,776</u>	<u>891,949</u>

**Other information**

The above transactions were entered into with entities which are under the control of B P Russell and his wife.

At the year-end, an individual had overdrawn directors loan account balances of £55,138 (2020: £158,043). Interest on the overdrawn loan accounts of £2,595 (2020: £3,342) was charged during the year. This individual is a related party by virtue of the fact they are a director of Russell Taylor Group Limited, NMS Recruit Limited and Perpetual Engineering Partnerships Limited, fellow group companies. These balances were fully repaid on 1st September 2022.

At the year-end, an individual had an overdrawn directors loan account balance of £50,837 (2020: £210,674). Interest on the overdrawn loan account of £3,163 (2020: £4,474) was charged during the year. This individual is a related party by virtue of the fact they are a director of Recruit Right Limited, a fellow group company. This balance was fully repaid on 1st September 2022.

**27 Directors' transactions**

Dividends totalling £187,613 (2020 - £10,000) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Directors loan account	2.00	378,469	1,567,704	8,698	(1,317,728)	637,143
Directors loan account	2.00	90,964	40,027	1,584	(92,000)	40,575
		<u>469,433</u>	<u>1,607,731</u>	<u>10,282</u>	<u>(1,409,728)</u>	<u>677,718</u>

The above directors loan accounts were fully repaid on 1st September 2022.

**28 Controlling party**

The ultimate controlling party is B P Russell by virtue of his shareholding.

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**29 Prior period adjustment**

**Reconciliation of changes in equity - group**

	Notes	1 January 2020 £	31 December 2020 £
<b>Adjustments to prior year</b>			
Reserves b/f	1	15,748	15,748
Other staff costs	2	-	(27,802)
Rent	1	-	12,063
		<hr/>	<hr/>
Total adjustments		15,748	9
Equity as previously reported		1,176,471	928,991
		<hr/>	<hr/>
Equity as adjusted		1,192,219	929,000
		<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of the effect upon equity</b>			
Profit and loss reserves		15,748	9
		<hr/> <hr/>	<hr/> <hr/>

**Reconciliation of changes in loss for the previous financial period**

	Notes	2020 £
<b>Adjustments to prior year</b>		
Reserves b/f	1	-
Other staff costs	2	(27,802)
Rent	1	12,063
		<hr/>
Total adjustments		(15,739)
Loss as previously reported		(132,480)
		<hr/>
Loss as adjusted		(148,219)
		<hr/> <hr/>

**Notes to reconciliation**

**Adjustment 1: Release of rent free period accrual**

During the year, a prior year adjustment has been processed within the financial statements of a subsidiary within the group.

The adjustment has been processed to recognise the benefit of a rent free period for the years of 2019 and 2020. The rent free period benefit is included in Other creditors and was previously being released over 10 years, but the directors have decided to exercise a break option included in the lease after 5 years. The prior year adjustment decreases Creditors: Amounts falling due within one year by £27,811, Administrative expenses by £12,063 and increases Profit and loss reserves at 1st January 2020 by £15,748. The impact of the prior year adjustment is a decrease in the previously reported loss for the year of £12,063 and net liabilities of £27,811.

**RUSSELL TAYLOR HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**29 Prior period adjustment (Continued)**

**Adjustment 2: Complete recognition of social security costs**

During the year, a prior year adjustment has been processed within the financial statements of a subsidiary within the group.

The adjustment has been made to recognise social security costs completely as at 31 December 2020. The prior year adjustment increases Creditors: Amounts falling due within one year and Administrative expenses, both by £27,802. The impact of the prior year adjustment is an increase in the previously reported loss for the year and net liabilities, both by £27,802.

The prior year adjustments have had no impact on the parent company's financial statements.

**30 Cash generated from/(absorbed by) group operations**

	2021	2020
	£	as restated £
Profit/(loss) for the year after tax	517,875	(148,219)
<b>Adjustments for:</b>		
Taxation charged	88,535	27,763
Finance costs	229,824	294,181
Investment income	(16,488)	(10,434)
Loss on disposal of tangible fixed assets	14,613	-
Amortisation and impairment of intangible assets	65,138	65,138
Depreciation and impairment of tangible fixed assets	86,395	189,181
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(1,495,086)	2,698,407
Increase/(decrease) in creditors	1,387,300	(3,857,901)
<b>Cash generated from/(absorbed by) operations</b>	878,106	(741,884)

**31 Analysis of changes in net debt - group**

	1 January 2021	Cash flows	New finance leases	31 December 2021
	£	£	£	£
Cash at bank and in hand	234,547	(223,990)	-	10,557
Borrowings excluding overdrafts	(1,166,667)	198,027	-	(968,640)
Obligations under finance leases	(24,145)	38,299	(77,740)	(63,586)
	(956,265)	12,336	(77,740)	(1,021,669)

