

Agenda Resource Management Limited
Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31st December 2021

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

Contents of the Financial Statements

for the year ended 31st December 2021

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Agenda Resource Management Limited

Company Information

for the year ended 31st December 2021

DIRECTORS:

Mr P D Sanders
Mr T A Sanders
Mr R A Millard
Mr S Kitching

SECRETARY:

Mrs H F Sanders

REGISTERED OFFICE:

Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

REGISTERED NUMBER:

03295323 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

Strategic Report

for the year ended 31st December 2021

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

REVIEW OF BUSINESS

The company is in its eighth year of full audit and this review is consistent with the size and nature of the business.

The company provides staffing and screening solutions and is organised into 3 core areas:

- Life Sciences - providing support to the Life Science sector, contract staffing, permanent recruitment and facilities management solutions.
- Screening - pre-employment screening for a wide range of clients, including Government, public and private sector organisations.
- Marketing & Communications - providing graphic design print, website design, e-marketing, event management and social media services.

2021 has been a challenging year due to the on-going negative impact of Covid-19. However, despite these external challenges, the business delivered an exceptional result across a number of its areas. An increase in profitability within the Screening, Facilities and Marketing areas more than off-setting challenges in Recruitment and Contract staffing areas.

The business delivered an Operating Profit of £1.1m which was the best performance ever - beating the 2019 result (an Operating Profit of £1m).

The success of the year has been the result of a clearly defined strategic path and an agile operating platform, meaning the potential of commercial opportunities have been fulfilled. We continue to work and devote our efforts to long-term growth and the execution of a 5-year strategic plan.

The business continues to be underpinned by our core values of Respect, Reputation and Responsibility and 2021 further championed our Great Place To Work initiative. Our people are at the core of everything we do and are intrinsic to the Agenda brand. Staff retention rates strengthened again in 2021. We are proud of our long-service employees as well as our commitment to invest heavily in new starters and supporting business growth.

The business adhered to the latest Government guidelines and ensured that any Covid-19 related impact on its employees was mitigated - it continued to facilitate home working for its employees wherever possible and provided the necessary equipment to enable its employees to work efficiently. As a consequence of this, the business only utilised the Government's Furlough scheme on an infrequent / ad hoc basis.

The turnover of the company was as follows:

2021	2020
£10.5m	£9.7m

There has also been a further decrease in staff numbers from 142 in 2020 to 135 in 2021 driven by delayed recruitment of new employees during 2021 in a challenging environment as a consequence of Covid-19.

Strategic Report

for the year ended 31st December 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the company business and the execution of the company strategies are of course subject to a number of risks.

The key business risks affecting the company are considered to relate to competition and market risks in the company's key areas of operation, together with the ongoing threat presented by Covid-19.

The company finances are well managed with an excellent relationship with its banking partner. It has minimal interest rate exposure.

The company monitors credit risk closely and considers that its current policies of finance checks on potential clients meet its objectives of managing exposure to credit risk.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the directors closely monitor key performance indicators and progress towards strategic objectives; 2020 showed continued momentum towards our 2021 strategic goals.

ON BEHALF OF THE BOARD:

Mr R A Millard - Director

18th May 2022

Agenda Resource Management Limited (Registered number: 03295323)

Report of the Directors

for the year ended 31st December 2021

The directors present their report with the financial statements of the company for the year ended 31st December 2021.

DIVIDENDS

The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 31st December 2021 will be £1,158,267.

DIRECTORS

The directors during the year under review were:

Mr P D Sanders

Mr T A Sanders

Mr R A Millard

Mr S Kitching

- appointed 1.7.2021

The directors holding office at 31st December 2021 did not hold any beneficial interest in the issued share capital of the company at 1st January 2021 (or date of appointment if later) or 31st December 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:

Mr R A Millard - Director

18th May 2022

Report of the Independent Auditors to the Members of Agenda Resource Management Limited

Opinion

We have audited the financial statements of Agenda Resource Management Limited (the 'company') for the year ended 31st December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of Agenda Resource Management Limited

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Report of the Independent Auditors to the Members of Agenda Resource Management 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.

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 focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, anti-bribery, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management 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;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the limited liability partnership's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances 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.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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

Report of the Independent Auditors to the Members of Agenda Resource Management 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.

Nicola Shipley FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

18th May 2022

Statement of Comprehensive Income

for the year ended 31st December 2021

	Notes	2021 £	2020 £
TURNOVER	3	10,511,823	9,686,417
Cost of sales		<u>6,372,732</u>	<u>6,220,661</u>
GROSS PROFIT		4,139,091	3,465,756
Administrative expenses		<u>3,163,610</u>	<u>3,071,599</u>
		975,481	394,157
Other operating income		<u>63,398</u>	<u>223,869</u>
OPERATING PROFIT	5	1,038,879	618,026
Interest payable and similar expenses	6	<u>6,067</u>	<u>8,449</u>
PROFIT BEFORE TAXATION		1,032,812	609,577
Tax on profit	7	<u>203,062</u>	<u>114,950</u>
PROFIT FOR THE FINANCIAL YEAR		829,750	494,627
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		829,750	494,627

Agenda Resource Management Limited (Registered number: 03295323)

Balance Sheet

31st December 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		74,202		95,804
Tangible assets	10		716,479		760,314
Investments	11		-		-
Investment property	12		<u>352,188</u>		<u>352,188</u>
			<u>1,142,869</u>		<u>1,208,306</u>
CURRENT ASSETS					
Stocks	13	188,718		91,167	
Debtors	14	1,604,047		1,474,060	
Cash at bank and in hand		<u>347,667</u>		<u>880,536</u>	
		<u>2,140,432</u>		<u>2,445,763</u>	
CREDITORS					
Amounts falling due within one year	15	<u>2,483,027</u>		<u>1,911,485</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(342,595)</u>		<u>534,278</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>800,274</u>		<u>1,742,584</u>
CREDITORS					
Amounts falling due after more than one year	16		(20,324)		(653,790)
PROVISIONS FOR LIABILITIES	19		<u>(57,577)</u>		<u>(37,904)</u>
NET ASSETS			<u><u>722,373</u></u>		<u><u>1,050,890</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		10,000		10,000
Share premium	21		47,500		47,500
Revaluation reserve	21		208,639		210,787
Capital redemption reserve	21		2,500		2,500
Retained earnings	21		<u>453,734</u>		<u>780,103</u>
SHAREHOLDERS' FUNDS			<u><u>722,373</u></u>		<u><u>1,050,890</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 18th May 2022 and were signed on its behalf by:

Mr R A Millard - Director

Statement of Changes in Equity

for the year ended 31st December 2021

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1st January 2020	10,000	714,532	47,500
Changes in equity			
Dividends	-	(431,204)	-
Total comprehensive income	-	494,627	-
Transfer from revaluation reserve	-	2,148	-
Balance at 31st December 2020	10,000	780,103	47,500
Changes in equity			
Dividends	-	(1,158,267)	-
Total comprehensive income	-	829,750	-
Transfer from revaluation reserve	-	2,148	-
Balance at 31st December 2021	10,000	453,734	47,500
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1st January 2020	212,935	2,500	987,467
Changes in equity			
Dividends	-	-	(431,204)
Total comprehensive income	-	-	494,627
Transfer from revaluation reserve	(2,148)	-	-
Balance at 31st December 2020	210,787	2,500	1,050,890
Changes in equity			
Dividends	-	-	(1,158,267)
Total comprehensive income	-	-	829,750
Transfer from revaluation reserve	(2,148)	-	-
Balance at 31st December 2021	208,639	2,500	722,373

Cash Flow Statement

for the year ended 31st December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,342,203	1,100,103
Interest paid		-	(6,116)
Interest element of hire purchase payments paid		-	(2,333)
Tax paid		(103,484)	(189,757)
Net cash from operating activities		<u>1,238,719</u>	<u>901,897</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(10,700)	(56,427)
Purchase of tangible fixed assets		(104,123)	(84,990)
Sale of tangible fixed assets		82,850	950
Net cash from investing activities		<u>(31,973)</u>	<u>(140,467)</u>
Cash flows from financing activities			
New loans in year		(234,803)	800,000
Loan repayments in year		(565,197)	-
Interest paid		(6,067)	-
Capital repayments in year		(10,084)	(2,518)
Equity dividends paid		(1,158,267)	(431,204)
Net cash from financing activities		<u>(1,974,418)</u>	<u>366,278</u>
(Decrease)/increase in cash and cash equivalents		<u>(767,672)</u>	<u>1,127,708</u>
Cash and cash equivalents at beginning of year	2	880,536	(247,172)
Cash and cash equivalents at end of year	2	<u>112,864</u>	<u>880,536</u>

Notes to the Cash Flow Statement

for the year ended 31st December 2021

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

	2021	2020
	£	£
Profit before taxation	1,032,812	609,577
Depreciation charges	121,888	125,597
(Profit)/loss on disposal of fixed assets	(24,478)	7,481
Government grants	-	(8,779)
Finance costs	6,067	8,449
	<u>1,136,289</u>	<u>742,325</u>
Increase in stocks	(97,551)	(20,609)
(Increase)/decrease in trade and other debtors	(129,987)	671,081
Increase/(decrease) in trade and other creditors	433,452	(292,694)
Cash generated from operations	<u>1,342,203</u>	<u>1,100,103</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 31st December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	347,667	880,536
Bank overdrafts	(234,803)	-
	<u>112,864</u>	<u>880,536</u>

Year ended 31st December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	880,536	2,998
Bank overdrafts	-	(250,170)
	<u>880,536</u>	<u>(247,172)</u>

Notes to the Cash Flow Statement

for the year ended 31st December 2021

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	880,536	(532,869)	347,667
Bank overdrafts	-	(234,803)	(234,803)
	<u>880,536</u>	<u>(767,672)</u>	<u>112,864</u>
Debt			
Finance leases	(39,879)	10,084	(29,795)
Debts falling due within 1 year	(177,778)	177,778	-
Debts falling due after 1 year	(622,222)	622,222	-
	<u>(839,879)</u>	<u>810,084</u>	<u>(29,795)</u>
Total	<u>40,657</u>	<u>42,412</u>	<u>83,069</u>

Notes to the Financial Statements

for the year ended 31st December 2021

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

Agenda Resource Management Limited is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the provision of resource management, pre-employment security screening and marketing services to the customers. Turnover is shown net of Value Added Tax.

Interest receivable and other income

Interest income is recognised using the effective interest method.

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.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold property	- 2.5%, freehold land is not depreciated
Plant and machinery	- 15% - 33%
Motor vehicles	- 25% - 33%

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Investments in subsidiaries

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Notes to the Financial Statements - continued

for the year ended 31st December 2021

2. ACCOUNTING POLICIES - continued

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of completion. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leasing commitments

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Where goods are sold using finance leases, the entity recognises turnover from the sale of goods and the rights to receive future lease payments as a debtor. Minimum lease payments are apportioned between finance income and the reduction of the lease debtor with finance income allocated so as to produce a constant periodic rate of interest on the net investment in the finance lease.

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

Notes to the Financial Statements - continued

for the year ended 31st December 2021

2. ACCOUNTING POLICIES - continued

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Debtors and creditors receivable/payable 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 in other administrative expenses.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Facilities	4,952,933	6,215,929
Screening	3,209,252	2,214,598
Marketing	280,631	211,128
Other	2,069,007	1,044,762
	<u>10,511,823</u>	<u>9,686,417</u>

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	10,252,499	9,301,858
Overseas	259,324	384,559
	<u>10,511,823</u>	<u>9,686,417</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2021

4. **EMPLOYEES AND DIRECTORS**

The aggregate payroll costs of the above were:

		2020	2019
	£		
Wages and salaries	£	3,549,951	3,884,406
Social security costs		325,585	342,952
Other pension costs		174,205	179,684
		<u>4,049,741</u>	<u>4,407,042</u>

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

	2020	2019
	No	No
Head office	60	62
Managers	6	6
Technicians	71	85
Directors	5	5
	<u>142</u>	<u>158</u>

	2021	2020
	£	£
Directors' remuneration	381,676	432,005
Directors' pension contributions to money purchase schemes	<u>34,523</u>	<u>22,371</u>

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

Money purchase schemes	<u>4</u>	<u>4</u>
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Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	129,047	140,447
Pension contributions to money purchase schemes	<u>17,750</u>	<u>8,075</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2021

5. OPERATING PROFIT

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

	2021	2020
	£	£
Depreciation - owned assets	89,586	72,706
Depreciation - assets on hire purchase contracts	-	24,414
(Profit)/loss on disposal of fixed assets	(24,478)	7,481
Patents and licences amortisation	32,302	28,477
Auditors' remuneration	13,935	9,700
Auditors' remuneration for non audit work	4,640	6,020
Foreign exchange differences	1,708	2,171
Other operating lease rentals	30,292	30,291
Government grants	(29,078)	(190,369)

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	2,252	6,116
Hire purchase	3,815	2,333
	<u>6,067</u>	<u>8,449</u>

7. TAXATION

Analysis of the tax charge

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	187,921	108,016
Under provision in prior years	(4,532)	(4,371)
Total current tax	<u>183,389</u>	<u>103,645</u>
Deferred tax	19,673	11,305
Tax on profit	<u>203,062</u>	<u>114,950</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2021

7. **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:

	2021 £	2020 £
Profit before tax	<u>1,032,812</u>	<u>609,577</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	196,234	115,820
Effects of:		
Expenses not deductible for tax purposes	1,111	2,377
Adjustments to tax charge in respect of previous periods	(4,532)	-
Change in rate of deferred tax	10,249	(3,247)
Total tax charge	<u>203,062</u>	<u>114,950</u>

8. **DIVIDENDS**

	2021 £	2020 £
Interim paid		
A Ordinary shares	556,184	205,852
B Ordinary shares	556,183	205,852
C Ordinary shares	31,900	15,500
D Ordinary shares	12,000	2,000
E Ordinary shares	2,000	2,000
	<u>1,158,267</u>	<u>431,204</u>

9. **INTANGIBLE FIXED ASSETS**

	Patents and licences £
COST	
At 1st January 2021	384,553
Additions	10,700
At 31st December 2021	<u>395,253</u>
AMORTISATION	
At 1st January 2021	288,749
Amortisation for year	32,302
At 31st December 2021	<u>321,051</u>
NET BOOK VALUE	
At 31st December 2021	<u>74,202</u>
At 31st December 2020	<u>95,804</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2021

10. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1st January 2021	667,806	362,324	192,289	1,222,419
Additions	4,267	54,102	45,754	104,123
Disposals	-	(1,301)	(169,089)	(170,390)
At 31st December 2021	<u>672,073</u>	<u>415,125</u>	<u>68,954</u>	<u>1,156,152</u>
DEPRECIATION				
At 1st January 2021	87,319	262,731	112,055	462,105
Charge for year	8,690	51,401	29,495	89,586
Eliminated on disposal	-	-	(112,018)	(112,018)
At 31st December 2021	<u>96,009</u>	<u>314,132</u>	<u>29,532</u>	<u>439,673</u>
NET BOOK VALUE				
At 31st December 2021	<u>576,064</u>	<u>100,993</u>	<u>39,422</u>	<u>716,479</u>
At 31st December 2020	<u>580,487</u>	<u>99,593</u>	<u>80,234</u>	<u>760,314</u>

Included in cost or valuation of land and buildings is freehold land of £ 129,175 (2020 - £ 129,175) which is not depreciated.

Tangible fixed assets with a net book value of £580,487 (2019 - £589,283) have been pledged as security for liabilities of the company.

Cost or valuation at 31st December 2021 is represented by:

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2015	111,531	-	-	111,531
Cost	<u>560,542</u>	<u>415,125</u>	<u>68,954</u>	<u>1,044,621</u>
	<u>672,073</u>	<u>415,125</u>	<u>68,954</u>	<u>1,156,152</u>

In the opinion of the directors, the value of the freehold building of £667,806 (2020 - 667,806), is considered to be the value at the year end.

In respect of certain fixed assets stated at valuation, the comparable historical cost and deprecation values are as follows:

	2021 £	2020 £
Net book value at end of year	<u>204,857</u>	<u>204,857</u>
Historical cost	<u>560,542</u>	<u>554,307</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2021

10. **TANGIBLE FIXED ASSETS - continued**

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

	Motor vehicles £
COST OR VALUATION	
At 1st January 2021 and 31st December 2021	<u>137,616</u>
DEPRECIATION	
At 1st January 2021 and 31st December 2021	<u>73,929</u>
NET BOOK VALUE	
At 31st December 2021	<u>63,687</u>
At 31st December 2020	<u>63,687</u>

11. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1st January 2021 and 31st December 2021	<u>60,002</u>
PROVISIONS	
At 1st January 2021 and 31st December 2021	<u>60,002</u>
NET BOOK VALUE	
At 31st December 2021	<u>-</u>
At 31st December 2020	<u>-</u>

12. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1st January 2021 and 31st December 2021	<u>352,188</u>
NET BOOK VALUE	
At 31st December 2021	<u>352,188</u>
At 31st December 2020	<u>352,188</u>

In the opinion of the directors, the above amount is considered to be the value of the property at the year end.

These assets have been pledged as security for liabilities of the company.

Notes to the Financial Statements - continued

for the year ended 31st December 2021

13. **STOCKS**

	2021	2020
	£	£
Stocks	11,880	13,691
Work-in-progress	<u>176,838</u>	<u>77,476</u>
	<u>188,718</u>	<u>91,167</u>

14. **DEBTORS**

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,385,783	964,803
Other debtors	74,358	367,329
Prepayments and accrued income	<u>133,956</u>	<u>137,469</u>
	<u>1,594,097</u>	<u>1,469,601</u>
Amounts falling due after more than one year:		
Prepayments and accrued income	<u>9,950</u>	<u>4,459</u>
Aggregate amounts	<u>1,604,047</u>	<u>1,474,060</u>

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Bank loans and overdrafts (see note 17)	234,803	177,778
Hire purchase contracts (see note 18)	9,471	17,263
Trade creditors	696,889	367,397
Tax	187,921	108,016
Social security and other taxes	416,031	672,303
Other creditors	462,778	22,881
Accruals and deferred income	<u>475,134</u>	<u>545,847</u>
	<u>2,483,027</u>	<u>1,911,485</u>

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

	2021	2020
	£	£
Bank loans (see note 17)	-	622,222
Hire purchase contracts (see note 18)	20,324	22,616
Accruals and deferred income	<u>-</u>	<u>8,952</u>
	<u>20,324</u>	<u>653,790</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2021

17. **LOANS**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank overdrafts	234,803	-
Bank loans	<u>-</u>	<u>177,778</u>
	<u>234,803</u>	<u>177,778</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>622,222</u>

18. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase 2021 £	contracts 2020 £
Net obligations repayable:		
Within one year	9,471	17,263
Between one and five years	<u>20,324</u>	<u>22,616</u>
	<u>29,795</u>	<u>39,879</u>
	Non-cancellable	operating leases
	2021 £	2020 £
Within one year	63,284	30,291
Between one and five years	<u>84,771</u>	<u>40,569</u>
	<u>148,055</u>	<u>70,860</u>

19. **PROVISIONS FOR LIABILITIES**

	2021 £	2020 £
Deferred tax	<u>57,577</u>	<u>37,904</u>
		Deferred tax £
Balance at 1st January 2021		37,904
Charge to Statement of Comprehensive Income during year		<u>19,673</u>
Balance at 31st December 2021		<u>57,577</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2021

19. **PROVISIONS FOR LIABILITIES - continued**

The expected net reversal of deferred tax assets and liabilities in 2022 is £2,368. This is due to the reversal of accelerated capital allowances and other short term timing differences.

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal Value	2019 £	2018 £
3,800	A Ordinary	£1	3,800	3,800
3,800	B Ordinary	£1	3,800	3,800
800	C Ordinary	£1	800	800
800	D Ordinary	£1	800	800
800	E Ordinary	£1	800	800
			<u>10,000</u>	<u>10,000</u>

21. **RESERVES**

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st January 2021	780,103	47,500	210,787	2,500	1,040,890
Profit for the year	829,750	-	-	-	829,750
Dividends	(1,158,267)	-	-	-	(1,158,267)
Transfer from revaluation reserve	2,148	-	(2,148)	-	-
At 31st December 2021	<u>453,734</u>	<u>47,500</u>	<u>208,639</u>	<u>2,500</u>	<u>712,373</u>

Called up share capital

Called up share capital represents the nominal value of shares that have been issued.

Share premium

The share premium account represents the premium arising on the issue of shares net of issue costs. The reduction in the share premium account has been undertaken in accordance with Section 641 of the Companies Act 2006.

Revaluation reserve

The revaluation reserve represents the cumulate effect of revaluations of tangible fixed assets where a policy of revaluation has been adopted.

Capital Redemption reserve

The capital redemption reserve represents the non distributable reserves transferred after a purchase of the company's own shares.

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

Notes to the Financial Statements - continued

for the year ended 31st December 2021

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for directors and employees. The pension cost includes £19,953 (2019 - £23,061) accrued at the end of the year.

23. RELATED PARTY DISCLOSURES

The company was under joint control of P D and H F Sanders, as they jointly own the majority of the issued share capital.

Included within other debtors at the year end is £0 (2020 - £365,983) due from the director and shareholder with significant interest .

No compensation was paid to key management personnel during the year. However during the year ended 31st December 2020 a total of key management personnel compensation of £ 730,162 was paid.

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