

**TRAVAIL EMPLOYMENT GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

TRAVAIL EMPLOYMENT GROUP LIMITED

Contents

Company Information	<u>1</u>
Directors' Report	<u>2</u>
Strategic Report	<u>3 to 4</u>
Statement of Directors' Responsibilities	<u>5</u>
Independent Auditor's Report	<u>6 to 8</u>
Profit and Loss Account	<u>9</u>
Balance Sheet	<u>10</u>
Statement of Changes in Equity	<u>11</u>
Statement of Cash Flows	<u>12</u>
Notes to the Financial Statements	<u>13 to 22</u>

TRAVAIL EMPLOYMENT GROUP LIMITED

Company Information

Directors	Mr A P Wyer Mr N C Elford Mr K Green
Company secretary	Mrs J C Mullan
Registered office	24 Southgate Street Gloucester GL1 2DP
Solicitors	Lutton Dunsford Solicitors 49 Brunswick Road Gloucester GL1 1JS
Bankers	National Westminster Bank Plc Commercial Banking 2nd Floor Trinity Quay 2 Avon Street Bristol BS2 OPT
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

TRAVAIL EMPLOYMENT GROUP LIMITED

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company is that of an employment agency.

Directors of the company

The directors who held office during the year were as follows:

Mr A P Wyer

Mr N C Elford

Mr K Green

Dividends

The directors recommended a final dividend payment of £812,920 (2018 - £813,095) in respect of the financial year end 31 December 2019. This dividend has been recognised as a liability in the financial statements.

Following the year end the directors obtained shareholder approval to cancel part of the above mentioned dividends. This decision was made in order to preserve the company's resources during the current COVID-19 pandemic. This reduced the dividend by £392,618 resulting in a final dividend paid after the year end of £420,302.

As this decision was made after the company's year end, it forms a non-adjusting post balance sheet event. The cancelled part of the dividend will be reported as a credit back to the company's retained reserves for the year ended 31 December 2020.

Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 29 September 2020 and signed on its behalf by:

.....
Mr N C Elford
Director

TRAVAIL EMPLOYMENT GROUP LIMITED

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Business review

The results for the year, which are set out in the profit and loss account, show a pre-tax profit of £1,002,927 (2018 - £1,006,466). The directors consider that the business has performed in line with expectations during the year and the financial position at the year end is satisfactory.

Key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	Unit	2019	2018
Turnover	£'000	14,175	13,916
Gross profit	£'000	4,427	4,497
Gross profit margin	%	31	32
Pre-tax profit	£'000	1,003	1,006
Net current assets	£'000	734	765
Trade debtors	£'000	2,249	2,129
Trade creditors	£'000	65	64

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve the development, performance and position of the business. Indicators are reviewed and altered to meet changes in the internal and external environments.

Future developments

Covid-19 has had an impact on trading during 2020. The directors have made use of the available support from the government and been implementing strategies and closely monitoring the company's performance in this regard to ensure that the company will be in a strong position as the impact lessens.

The directors have also taken steps to preserve the company's resources which include, with shareholders consent, the cancellation of previously voted dividends and the reduction of the senior management teams remuneration.

Principal risks and uncertainties

The management of the company and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from other national employment agencies and changes in legislation affecting the employment industry.

Covid-19 has added to these uncertainties during 2020.

Financial instruments

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk selling on credit and manages this through credit control procedures.

TRAVAIL EMPLOYMENT GROUP LIMITED

Strategic Report for the Year Ended 31 December 2019

Going concern

In accordance with Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2006' the directors of all companies are required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has used the resources that have been made available to it by the government as a result of Covid-19. Most significantly, this includes the use of the Coronavirus Job Retention Scheme and other available grants and tax deferment plans. The resources are being used to ensure the continued trading of the company.

The directors have taken actions and prepared forecasts for the next 12 months and beyond that indicate that the company has sufficient resources to continue in operational existence for the foreseeable future and therefore the directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 29 September 2020 and signed on its behalf by:

.....
Mr N C Elford
Director

TRAVAIL EMPLOYMENT GROUP LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, Strategic 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

TRAVAIL EMPLOYMENT GROUP LIMITED

Independent Auditor's Report to the Members of Travail Employment Group Limited

Opinion

We have audited the financial statements of Travail Employment Group Limited (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, it is difficult to evaluate all of the potential implications of the current COVID-19 outbreak on the company's trade, employees, customers, suppliers and the wider economy.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

TRAVAIL EMPLOYMENT GROUP LIMITED

Independent Auditor's Report to the Members of Travail Employment Group Limited Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 5, 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 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.

Auditor's responsibilities for the audit of the financial statements

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

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

TRAVAIL EMPLOYMENT GROUP LIMITED

Independent Auditor's Report to the Members of Travail Employment Group 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 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.

.....

Ryan Hancock (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

29 September 2020

TRAVAIL EMPLOYMENT GROUP LIMITED**Profit and Loss Account
for the Year Ended 31 December 2019**

	Note	2019 £	2018 £
Turnover	<u>3</u>	14,174,913	13,916,237
Cost of sales		<u>(9,747,759)</u>	<u>(9,419,620)</u>
Gross profit		4,427,154	4,496,617
Administrative expenses		(3,439,335)	(3,503,567)
Other operating income		<u>12,500</u>	<u>12,500</u>
Operating profit	<u>4</u>	1,000,319	1,005,550
Interest receivable and similar income		<u>2,608</u>	<u>916</u>
Profit before tax		1,002,927	1,006,466
Taxation	<u>8</u>	<u>(190,007)</u>	<u>(193,371)</u>
Profit for the financial year		<u><u>812,920</u></u>	<u><u>813,095</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year other than the above.

TRAVAIL EMPLOYMENT GROUP LIMITED

(Registration number: 01334361)

Balance Sheet

as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>9</u>	632,212	593,855
Investments	<u>10</u>	200	200
		<u>632,412</u>	<u>594,055</u>
Current assets			
Stocks		3,771	4,073
Debtors	<u>11</u>	2,322,186	2,186,130
Cash at bank and in hand	<u>12</u>	598,237	840,745
		<u>2,924,194</u>	<u>3,030,948</u>
Creditors: Amounts falling due within one year	<u>13</u>	<u>(2,189,953)</u>	<u>(2,266,271)</u>
Net current assets		<u>734,241</u>	<u>764,677</u>
Total assets less current liabilities		1,366,653	1,358,732
Provisions for liabilities	<u>8</u>	<u>(28,699)</u>	<u>(20,778)</u>
Net assets		<u>1,337,954</u>	<u>1,337,954</u>
Capital and reserves			
Called up share capital	<u>16</u>	6,998	6,998
Share premium reserve		34,332	34,332
Revaluation reserve		199,888	201,330
Retained earnings		<u>1,096,736</u>	<u>1,095,294</u>
Total equity		<u>1,337,954</u>	<u>1,337,954</u>

Approved and authorised by the Board on 29 September 2020 and signed on its behalf by:

.....
Mr K Green
Director

TRAVAIL EMPLOYMENT GROUP LIMITED

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Share premium £	Revaluation reserve £	Retained earnings £	Total £
At 1 January 2018	6,998	34,332	202,672	1,093,952	1,337,954
Profit for the year	-	-	-	813,095	813,095
Dividends	-	-	-	(813,095)	(813,095)
Transfers	-	-	(1,342)	1,342	-
At 31 December 2018	6,998	34,332	201,330	1,095,294	1,337,954
	Share capital £	Share premium £	Revaluation reserve £	Retained earnings £	Total £
At 1 January 2019	6,998	34,332	201,330	1,095,294	1,337,954
Profit for the year	-	-	-	812,920	812,920
Dividends	-	-	-	(812,920)	(812,920)
Transfers	-	-	(1,442)	1,442	-
At 31 December 2019	6,998	34,332	199,888	1,096,736	1,337,954

TRAVAIL EMPLOYMENT GROUP LIMITED

Statement of Cash Flows for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		812,920	813,095
Adjustments to cash flows from non-cash items:			
Depreciation	4	87,401	77,293
(Profit)/loss on disposal of tangible fixed assets	4	(6,052)	2,407
Interest received		(2,608)	(916)
Taxation	8	190,007	193,371
		1,081,668	1,085,250
Working capital adjustments:			
Decrease/(increase) in stock		302	(902)
Increase in debtors	11	(136,056)	(154,830)
(Decrease)/increase in creditors	13	(53,875)	58,606
Cash generated from operations		892,039	988,124
Income taxes paid		(204,354)	(155,833)
Net cash flow from operating activities		687,685	832,291
Cash flows from investing activities			
Interest received		2,608	916
Purchases of tangible fixed assets		(142,113)	(51,314)
Proceeds from sale of tangible fixed assets		22,407	1,500
Net cash flows from investing activities		(117,098)	(48,898)
Cash flows from financing activities			
Dividends paid		(813,095)	(654,806)
Net cash flows from financing activities		(813,095)	(654,806)
Net (decrease)/increase in cash and cash equivalents		(242,508)	128,587
Cash and cash equivalents at 1 January		840,745	712,158
Cash and cash equivalents at 31 December		598,237	840,745

TRAVAIL EMPLOYMENT GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:
24 Southgate Street
Gloucester
GL1 2DP

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium sized group. Although the Companies Act 2006 requires medium sized groups to prepare consolidated accounts, the company has not prepared them on the basis that the results and net assets of the subsidiary undertakings are not material to the group.

Judgements and estimation uncertainty

These financial statements do not contain any significant judgements or estimation uncertainty.

Going concern

The company has used the resources that have been made available to it by the government as a result of Covid-19. Most significantly, this includes the use of the Coronavirus Job Retention Scheme and other available grants and tax deferment plans. The resources are being used to ensure the continued trading of the company.

The directors have taken actions and prepared forecasts for the next 12 months and beyond that indicate that the company has sufficient resources to continue in operational existence for the foreseeable future. After reviewing those forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

TRAVAIL EMPLOYMENT GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the placement of temporary and permanent staff in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises UK corporation tax and deferred tax. Tax is recognised in the profit or loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax asset so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible fixed assets are stated in the balance sheet at cost or valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than land over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land	Nil
Freehold buildings	Over 100 years
Fixtures and fittings	20% - 33% of cost per annum
Motor vehicles	33% - 45% of written down value

TRAVAIL EMPLOYMENT GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stock is valued at the lower of cost and net realisable value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the obligation to pay the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

TRAVAIL EMPLOYMENT GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

Financial instruments

Classification

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other receivables and payables, loans from related parties and investments in non-puttable ordinary shares.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an assets carrying value and the present value of estimated cash flows discounted at the assets original effective interest rate.

3 Revenue

The analysis of the company's turnover for the year from continuing operations is as follows:

	2019 £	2018 £
Temporary and permanent placements in the United Kingdom	14,174,913	13,916,237

4 Operating profit

Arrived at after charging:

	2019 £	2018 £
Depreciation expense	87,401	77,293
Operating lease expense	105,914	98,411
(Profit)/loss on disposal of tangible fixed assets	(6,052)	2,407

5 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	15,370	15,070

TRAVAIL EMPLOYMENT GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £	2018 £
Wages and salaries	2,283,087	2,245,325
Social security costs	260,270	245,869
Pension costs, defined contribution scheme	117,108	138,534
	<u>2,660,465</u>	<u>2,629,728</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	18	17
Sales, marketing and distribution	38	39
	<u>56</u>	<u>56</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration (including benefits in kind)	556,280	571,160
Contributions paid to pension schemes	47,230	77,831
	<u>603,510</u>	<u>648,991</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019 No.	2018 No.
Accruing benefits under pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2019 £	2018 £
Remuneration	201,463	209,609
Company contributions to pension schemes	<u>8,627</u>	<u>41,338</u>

TRAVAIL EMPLOYMENT GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

8 Taxation

Tax charged in the profit and loss account

	2019 £	2018 £
Current taxation		
UK corporation tax	182,104	204,354
UK corporation tax adjustment to prior periods	(18)	-
Deferred taxation		
Arising from origination and reversal of timing differences	7,938	(10,983)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(17)	-
	<u>190,007</u>	<u>193,371</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%). The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>1,002,927</u>	<u>1,006,466</u>
Corporation tax at standard rate	190,556	191,229
Non deductible expenditure	46	3,382
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(17)	-
Adjustment for prior periods	(18)	-
Effect of ineligible depreciation	648	648
UK deferred tax credit relating to changes in tax rates	<u>(1,208)</u>	<u>(1,888)</u>
	<u>190,007</u>	<u>193,371</u>

Deferred tax

Deferred tax assets and liabilities

2019	Liability £
Difference between accumulated depreciation and capital allowances	(1,283)
Other timing differences	(3,982)
Revaluation gain on property	33,964
	<u>28,699</u>

TRAVAIL EMPLOYMENT GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

	Liability £
2018	
Difference between accumulated depreciation and capital allowances	(2,981)
Other timing differences	(10,467)
Revaluation gain on property	34,226
	<u>20,778</u>

9 Tangible assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2019	485,000	123,215	167,970	776,185
Additions	-	59,168	82,945	142,113
Disposals	-	(41,503)	(55,920)	(97,423)
At 31 December 2019	<u>485,000</u>	<u>140,880</u>	<u>194,995</u>	<u>820,875</u>
Depreciation				
At 1 January 2019	27,264	58,370	96,696	182,330
Charge for the year	3,408	45,403	38,590	87,401
Eliminated on disposal	-	(40,746)	(40,322)	(81,068)
At 31 December 2019	<u>30,672</u>	<u>63,027</u>	<u>94,964</u>	<u>188,663</u>
Carrying amount				
At 31 December 2019	<u>454,328</u>	<u>77,853</u>	<u>100,031</u>	<u>632,212</u>
At 31 December 2018	<u>457,736</u>	<u>64,845</u>	<u>71,274</u>	<u>593,855</u>

Revaluation

The fair value of the company's freehold land and buildings was revalued on 31 December 2015 by an independent valuer. This value has been treated as deemed cost following transition for FRS 102. Had this class of asset been measured on a historical cost basis, their carrying amount would have been £254,340 (2018 - £256,406).

10 Investments in subsidiaries

	£
Cost and net book value	
At 1 January 2019 and at 31 December 2019	<u>200</u>

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

TRAVAIL EMPLOYMENT GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2019	2018
Travail Franchise Limited (dormant)	United Kingdom	Ordinary	100%	100%
Travail Employment Limited (dormant)	United Kingdom	Ordinary	100%	100%

11 Debtors

	2019 £	2018 £
Trade debtors	2,249,271	2,128,716
Prepayments and accrued income	72,915	57,414
	<u>2,322,186</u>	<u>2,186,130</u>

12 Cash and cash equivalents

	2019 £	2018 £
Cash on hand	4,020	4,820
Cash at bank	594,217	835,925
	<u>598,237</u>	<u>840,745</u>

13 Creditors

	2019 £	2018 £
Due within one year		
Trade creditors	64,751	64,496
Amounts owed to group undertakings	200	200
Social security and other taxes	839,033	815,165
Outstanding defined contribution pension costs	32,072	46,117
Other creditors	778,495	813,095
Accruals and deferred income	293,298	322,826
Corporation tax liability	182,104	204,372
	<u>2,189,953</u>	<u>2,266,271</u>

TRAVAIL EMPLOYMENT GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

14 Dividends

The directors declared a final dividend of £812,920 (2018 - £813,095).

Dividends of £325,168 (2018 - £304,007) were payable to the company's directors.

Following the year end the directors obtained shareholder approval to cancel part of the above mentioned dividends. This decision was made in order to preserve the company's resources during the current COVID-19 pandemic. This reduced the dividend by £392,618 resulting in a final dividend paid after the year end of £420,302 of which £176,590 was paid to the company's directors.

As this decision was made after the company's year end, it forms a non-adjusting post balance sheet event. The cancelled part of the dividend will be reported as a credit back to the company's retained reserves for the year ended 31 December 2020.

15 Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £117,108 (2018 - £138,534).

Contributions totalling £32,072 (2018 - £46,117) were payable to the scheme at the end of the year and are included in creditors.

16 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	4,950	4,950	4,950	4,950
Non-voting shares of £1 each	2,048	2,048	2,048	2,048
	6,998	6,998	6,998	6,998

The company's issued Ordinary shares of £1 are divided into five separate classes:

1,150 - £1 Ordinary voting 1 shares

1,150 - £1 Ordinary voting 2 shares

1,150 - £1 Ordinary voting 3 shares

1,150 - £1 Ordinary voting 4 shares

350 - £1 C Ordinary shares

These shares rank pari-passu in all respects, except they have separate rights to dividends.

The non-voting shares rank equally with the Ordinary shares in all respects except that they do not confer upon the holders any rights to receive notices of, or attend, or vote at, General Meetings of the company.

TRAVAIL EMPLOYMENT GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

17 Obligations under operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	39,250	59,356
Later than one year and not later than five years	157,000	59,000
Later than five years	14,896	43,021
	<u>211,146</u>	<u>161,377</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £66,625 (2018 - £98,411).

18 Related party transactions

Group

The company has taken advantage of the exemption from disclosing transactions with other members of the group.

Self Invested Pension Plan (where a director is a beneficiary)

During the year the company paid rentals of £14,750 (2018 - £14,750) in connection with a property it occupies. At the balance sheet date no amounts (2018 - no amounts) were owed to the Self Invested Pension Plan.

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 7 to the financial statements.

19 Parent and ultimate parent undertaking

The company is not controlled by a single entity.

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