Company Registration No 03589208

GAP PERSONNEL HOLDINGS LIMITED

Annual Report and Financial Statements
For the 15 month period ending 30 June 2022

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ANNUAL REPORT AND FINANCIAL STATEMENTS
For the 15 month period ending 30 June 2022

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr D S M Roberts
Mr Y Kamata
Mr S Toyama
Mr G Cottom (appointed 5 July 2021)
Mr M Hull (appointed 5 July 2021)
Mr A Loveday (appointed 5 July 2021 and resigned 28 February 2022)
Ms N Thomas (appointed 5 July 2021)
Mr R Thorne (appointed 5 July 2021)
Mr Y Hiyoshi (appointed 23 August 2022)

REGISTERED OFFICE

Pulford House
Bell Meadow Business Park
Park Lane
Pulford
Chester
CH4 9EP

BANKERS

Lloyds Bank
55 High Street
Doncaster
DN1 1BH

SOLICITORS

Mr S Herbert
Bevan Rose Corporate Solicitors
157 High Street
Prestatyn
Denbighshire
LL19 9AY

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester Hardman Sq
1 Hardman Square
Manchester
M3 3EB

STRATEGIC REPORT FOR THE 15 MONTH PERIOD ENDED 30 JUNE 2022

The Directors present the strategic report and the annual report and financial statements of the Group for the 15 month period ended 30 June 2022. The year end date of the Group has been adjusted to 30 June 2022 in order to align with the reporting date of the ultimate parent company, BeNext-Yumeshin Group Co. Due to this, the prior year numbers are not comparable due to covering the 12 month period to 31st March 2021.

Gap Personnel Holdings Limited is a specialist provider of both temporary and permanent recruitment solutions along with training and development.

Our blue-collar business operates across a broad range of sectors that include FMCG (Fast Moving Consumer Goods), advanced manufacturing, waste and recycling, e-commerce, distribution / logistics and driving. Alongside this our white-collar business provides for sectors that include engineering & technical, supply chain, multilingual, management and executive.

Gap Personnel Holdings Limited, is made up of several specialist brands:

- gap Personnel
- gap Onsite
- Hawk 3
- gap Technical
- gap construction
- gap Healthcare
- Global Personnel Limited
- Driving Force Limited (acquired 15 July 2021)

Financial Highlights

Key highlights are:

	For the 15 month period ended	For the year ended
	30/06/2022	31/03/2021
	£000	£000
Turnover	236,124	180,120
Gross Profit	26,657	18,225
Gross Profit %	11.3%	10.1%
EBITDA	5,173	5,014
Depreciation & Amortisation (note 5)	2,204	1,607
Operating Profit	2,969	3,407

Given EBITDA is regarded as a non-GAAP measure, the Directors have included a reconciliation from operating profit of £2.97m adding back £2.20m of depreciation and amortization to achieve EBITDA of £5.17m. This can be seen in the working above. Gross Profit % was positively affected by the acquisition of Driving Force Ltd due to this business operating on higher margins.

As the COVID 19 restrictions were eased, there was a rebound across the blue collar market which resulted in better than expected Q1 results, being some 8.6% above budgeted turnover. The growth of certain industries however did lag behind the overall economy, e.g. hospitality, however the groups limited exposure to such industries meant that they had little effect on Gap's blue collar growth. The rebound was not immediately seen within our Specialist divisions, which focuses on white collar colleagues and permanent placements, as trade remained flat.

STRATEGIC REPORT FOR THE 15 MONTH PERIOD ENDED 30 JUNE 2022 (continued)

Financial Highlights (continued)

As we moved through Q2, and the country returned to normal, more industries re-opened and the ensuing labour shortage began to impact operating costs as the cost to hire increased significantly. Those costs continued to increase and many online job boards applied a significant increase to their charge structures, in some cases by more than 100%.

The main factors behind the labour shortage were: -

- Brexit
- EU workers that returned home during COVID 19 and have chosen not to return to the UK
- Increased absence through sickness since COVID 19
- Individuals reassessing their work life balance and deciding to retire earlier than they would have done pre COVID19.

It is estimated that there are 575,000 less workers available than pre-lockdown and the Government look to entice the over 55s back to the workplace.

Due to the difficulty and increased cost of sourcing candidates a strategic decision was taken to protect the service to our existing client base whilst only considering new business if the relationship was deemed to be long term rather than just backfilling shortages from other labour providers and if the margins were sustainable. This did impact the short term growth plan for blue collar workers but supply settled during Q3.

Driving Force joined the group mid-year and just like the industrial market, the labour shortages had an impact on supply capabilities. The effect of a lack of supply saw the charge rates and margins significantly increase in the temporary drivers market and hence record turnover and margins were achieved throughout Q2 & Q3 for Driving Force.

Throughout the last 9 month of the year the whole group saw a significant increase in demand for permanent placements which tend to generate a fixed placement fee rather than an ongoing weekly margin. This was driven by the client utilising specialist recruiters to search the market for suitable candidates. Obviously our specialist divisions benefited from this change in direction. Overall, in the last 9 months of the financial year, permanent placement fees were 24% above planned.

In the final quarter of the year we had agreed, and implemented, a scheme to source a new supply of candidates to one of our established clients. This proved to be very successful and will enable further growth opportunities during the following year.

Throughout the year the company focused on staff retention, conscious that many of our competitors were head hunting to bolster their teams after lockdown. Rewards schemes were enhanced and hybrid working introduced, where possible to aid retention. There has been a review of our property portfolio and we have been able to consolidate certain locations into better & larger HUB based offices. This reduced the total portfolio by 2 offices, saw 4 offices merge, introduced mobile recruitment offices and 2 offices relocate.

Operational Highlights

In order for our UK business to align its' accounting and fiscal periods to run alongside our Parent Company, BeNext-Yumeshin Group Co, there was a requirement for an extended accounting period to run 15 months. Our future accounting period will now run from July through until the end of June to allow for a more seamless consolidation and audit process.

- The Company saw a rebound across all sectors post COVID as customer demand increased and the candidate market became highly competitive. This lead to our Permanent Placement divisions seeing a significant increase in vacancies as clients attempted to 'secure ' fixed resource.
- Revenues grew across FMCG sectors, with demand remaining high for labour across the country in sectors such as food processing & packing. The demand created competition between clients and hence an increase in pay rates which positively affected our charge rates.
- In order for us to respond to an ever changing candidate market, Gap personnel have made further investment into our National Resource Centre, which now operates 24/7 – allowing candidates to receive advice and support in their application journey at a time that best suits them; in addition to new branch openings in Cambridge and Telford we have also opened Recruitment HUBS in Norfolk and East Yorkshire (these are in addition to our Branches that also operate in these areas); and have also acquired a number of mobile recruitment offices that allow us to travel across the country, and recruit in hotspots to best support our customers during their peak periods.
- Our focus on new business has moved strategically to opportunities where a sustainable return can be made, and clients can be assured of delivery. We have renegotiated many of our lower return contracts, to ensure that there is a mutually sustainable supply model in place. Unfortunately, this has resulted in a decision being to step back from some agreements that were no longer viable commercially.

During the year, the Group have maintained a clear focus on building a profitable base for growth, and whilst the Group continue to look for acquisition targets, we are seeing good organic growth supported going forward by the strategic investment into the logistics sector via Driving Force Recruitment.

Other notable Investments include:

- Significant investment in training and onboarding to ensure that everyone across the business is able to offer our customers and candidates the very best service and support. We have placed a strong focus on compliance and spotting the signs of worker exploitation and Modern Slavery as this, unfortunately, becomes ever present in the UK candidate environment.
- Continued expansion of our Technical & Construction Division, with a new location based out of Cambridge.

STRATEGIC REPORT FOR THE 15 MONTH PERIOD ENDED 30 JUNE 2022 (continued)

Operational Highlights (continued)

- IT investment – we are now making strong progress in a highly ambitious project that will see the Company launch a new Candidate facing application in 2023, offering a highly intelligent work finding and onboarding tool to maximise attraction and retention of workers across sectors.

Review of the Business and Future Developments

The Group has continued to benefit from a number of new client partnerships during the period, however our priority has been to deliver against existing relationships therefore growing our business with our highly valued customers

This performance has attributed to the following strategic priorities being delivered against, and will remain the groups focus for future developments:

- Increasing business across existing Key Clients
- Continued renegotiation of low return contracts, and exiting agreements that had become unsustainable, allowing the Group to focus on customers that are adopting a partnership approach to overcome the market challenges
- Providing our customers with a Recruitment Partner that is able to resource for roles across their business, to include Blue Collar & White Collar & Logistics Drivers. This has seen an improvement in the market share at many customers and has also seen significant growth for our Professional & Technical divisions. We aim to offer an experienced and professional one stop solution for all the recruitment needs of our clients.
- As said previously we believe that the candidate 'journey' will become increasingly more important as there will be no instant solution to the labour shortage. This drives our investment in IT and staff training/development. We aim to provide the candidate with a seamless journey into their ideal position and to then provide the updates and communications to retain them.
- The Group and its Parent are strategically committed to grow through acquisition and will investigate all opportunities.
- The Directors envisage that consumer demand may reduce due to economic factors however the Group is well placed to counter this effect. It is anticipated that the specialist divisions will continue to perform well, especially the technical and healthcare divisions. The diverse nature of the blue collar workers i.e. being both in logistics and in food processing should ensure that demand remains stable as these industries usually ride out economic difficulties. We anticipate an increased demand for temporary worker assignments as we enter the summer of 2023, and the teams are fully focused and committed to delivering the client requirements. The Directors expect to deliver similar results in 2023 to those of 2022 accounting for the 12 months in 2023.

Key Performance Indicators

The Group uses Key Performance Indicators (KPIs) to closely measure and manage financial performance. These include weekly reporting of workers placed and extensive gross margin analysis by region, branch, client and client site.

Our primary KPI for financial performance is to grow the EBITDA/Turnover ratio from 2% to a target of 3% over the next 3 years. The current year has delivered 2.2% (2021: 3.1%), and we aim to continue moving this upward in the future periods. As a part of this strategy it has required the Group to come away from certain contracts that have been unprofitable, and this will slow turnover in future years, but will improve the EBITDA/Turnover ratio. The EBITDA ratio has decreased in the current period, as we benefitted from exceptional cost reductions during 20/21, as COVID 19 lead to a significant reduction in travel costs and local authority grants also reduced our property costs during the period.

The Group also closely monitors non financial data to monitor the business health, which includes Employee attrition reporting, customer satisfaction, customer and candidate reviews. We are listed in Best Companies (with 2 star status) along with IIP Gold. Both accreditations provide detailed feedback, which is used to develop future people strategies to make sure we continue to be an employer of choice

Financial Risk Management

The Group is exposed to a variety of financial risks resulting from its operational activities. The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, focusing on actively securing the Group's short to medium term cash flows.

Credit risk
The Group's principal credit risk is trade debtors. The Group has in place rigorous credit control and credit insurance mechanisms to minimise the level of doubtful debts. In 2021/22 bad debts represented only 0.00% of annual turnover (2020/21: 0.00%). The Group's debtors are monitored to avoid significant concentration of credit risk.

Liquidity risk
The Group finances its operations through a mixture of retained profits and an invoice discounting facility. The Group's present discounting facility provides sufficient headroom, taking account of reasonably possible changes in performance, for forecast turnover for the foreseeable future. The risk of the Group's debtor days lengthening is mitigated by the presence of this £30m invoice discounting facility.

STRATEGIC REPORT FOR THE 15 MONTH PERIOD ENDED 30 JUNE 2022 (continued)

Price risk
Price risk is mitigated by agreement upfront of prices, embedded into a signed contract to ensure sufficient margins are achieved. Annual review meetings are undertaken as a minimum to ensure margins remain appropriate.
National Minimum Wage increases will naturally erode our gross margin %, as our ability to increase our margins in line with the statutory increase is limited. As this is a statutory increase, and in a market where our customers are feeling the impact of energy and raw material costs, we do not intend to increase our pricing to mitigate this erosion. As an alternate we will be looking further manage our direct cost base, and also drive efficiencies through improved working practices and the roll out of an in house developed Technology platform.

Cashflow risk
The group and company's budgets were produced, taking a prudent view of trading activity for the current financial year and through to June 2024, this demonstrated that the group and company still had significant cash available whilst operating within the above facility limits throughout the period to and at June 2024. In addition to this, the directors undertook stress testing, and whilst the scenarios used were extreme there were instances in some months where the company was in a negative cash position, having utilised all of the available invoice discounting facility. As such, the Company and Group have received a letter of support from its parent company, see details below.

The directors therefore have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The group and company are, however, reliant on the invoice finance facility and as the facility is uncommitted, the Company has received a letter of support from BeNext-Yumeshin Group Co. confirming its intent to provide financial support if required for at least 12 months from the date of signing these financial statements.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group are:

Competitive risk
Competitive pressure in the UK is reducing margins across the whole recruitment industry. The Group is reliant on certain customers for contracts which are subject to periodic tender, the risk is one which we are accustomed to and although the renewal of these contracts is uncertain and based on financial and performance criteria. The Directors feel that the quality of service delivery, coupled with competitive pricing, will continue to deliver high customer retention rates and to attract new business.

Attracting and Retaining Talent
The company understands that relationships with clients are nurtured and developed over time and hence we invest heavily in attracting and retaining the best talent. The benefits packages remain very competitive within the industry & other benefits such as The Annual Group Awards Ceremony, Awards for Exceptional Service, ensure our retention rates are high for the industry.

Economic Risk

The Board discuss items that affect the economic climate such as the cost of living, interest rates, Ukraine War etc. Whilst the cost of living crisis has impacted individuals and businesses alike, we have made great efforts to streamline our cost base, which in turn has allowed us to pay all employees monthly enhancements to offset some of the inflationary impacts experienced.

Interest rates will introduce a higher level of cost against any Group borrowings, but again we have been focussed on reducing these over the last 5 years and this will therefore reduce the impact.

Legislative risk
In order to operate in the UK recruitment market, the Group must comply with many areas of UK legislation. Compliance imposes costs and failure to comply with the law could materially affect the Group's ability to operate. The Group is regularly audited by its financial providers, the parent company, clients and trade bodies. All new legislative developments are closely monitored, and the Group has its own Compliance Team, reporting directly to the Board, which conducts daily monitoring along with regular reviews to ensure compliance with existing legislation in order to minimise legislative risk. Senior Management also attend and participate in regular trade body meetings to ensure we are abreast of new legislation.

We take compliance with legislation and industry standards extremely seriously, offering a total commitment to all of our clients to ensure all of our workers, whether or not covered by the legislation, are recruited and supplied to the standards required by the Gangmaster Licence Act. This total commitment gives our clients the assurance that all UK ethical and legal standards are fully met. We also operate a confidential helpline for our workers to report any concerns and conduct regular surveys to ensure we are achieving our highest standard.

Labour market risk

The labour market continued to experience record levels of employment, and as a combined result of Brexit and COVID-19, the level of people in active employment across the UK has contracted by a reported 575,000 people. This has led to increased costs to recruit for open vacancies, and also a requirement for customers to review pay levels to attract new talent to their business. Whilst we have worked very closely with all of our customers to overcome these challenges, to ensure we deliver on our service level requirements we have seen an increase in advertising costs during the period, and expect this to continue during the year ahead.

STRATEGIC REPORT FOR THE 15 MONTH PERIOD ENDED 30 JUNE 2022 (continued)

Principle Risks and Uncertainties (Continued)

Section 172(1) Statement

In July 2018, the revised UK Corporate Governance Code ('2018 Code') was published. It applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company.

The Board of Gap Personnel Holdings Limited (GPHL) has considered the direction of the UK Financial Reporting Council (the 'FRC') and this S172 statement, sets out how the Board have engaged with shareholders, employees, suppliers, customers and others; have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and others, and the effect of the principal strategic decisions taken by the company during the financial year. The statement focuses on matters of strategic importance to GPHL and the level of information disclosed is consistent with the size and the complexity of the business.

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, is most likely to promote the success of the Company for the benefit of its shareholders. Key decisions that are of strategic importance to the Company are appropriately informed by s172 factors.

S172(1) (A) "The likely consequences of any decision in the long term"
The Directors understand the business and the evolving environment in which we operate. A full business review is carried out in preparation for each financial period. In line with our Group strategy, the Board intends to strengthen our position as a provider of services and solutions whilst growing its product market and customer base.

S172(1) (B) "The interests of the company's employees"
The Board recognises that our employees are our greatest asset and fundamental to achieving our strategic ambitions. The success of our business depends on recruiting and retaining talent. We strive to be a responsible employer and review pay and benefits and aim always to provide a safe working environment. Development is important to us and we encourage our people to be ambitious and seek investment from us in their careers.

Wellbeing is a real focus and in the last few years we have invested in an employee assistance programme giving our people and their families access to a support service covering issues such as mental health and legal advice. The Board factor the implications of decisions on employees where relevant and feasible.

Employees are regularly updated on matters affecting the business via a wide range of mediums. Perhaps more than ever, we encourage our colleagues to give feedback on decisions taken by the Board and look to recognise achievements as much as possible. Feedback is sought through a number of mediums and platforms. Our colleagues are briefed each day upon attending their work-stations where they can discuss any on-going concerns whilst regular newsletters are circulated with both e-mail addresses and phone numbers listed to encourage questions and feedback. At times we also issue important updates on the weekly payslips to ensure that all colleagues receive the notification. More one to one informal sessions are also held with the recruitment consultants whether that be within our branch network or on-site networks. We also have a 'whistle-blowing' hotline for those colleagues who wish to remain anonymous.

It is the company's policy to provide equal opportunity for employees or applicants for employment irrespective of age, colour, race, nationality, ethnic origin, gender, or marital status.

172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others".
Delivering our strategy requires strong mutually beneficial relationships particularly with our customers. We promote certain general principles in our third-party relationships such as ethical business practices and complete adherence to laws and regulations. We are a highly regulated sector and take compliance with legislation and industry standards extremely seriously offering a total commitment to all our clients to ensure all our workers are recruited and supplied to the standards required by the Gangmaster Licence Act.

S172(1) (D) "The impact of the company's operations on the community and the environment"
We aim to align economic success with ecological and social responsibility.

We are engaged with various charitable local initiatives. Our involvement ranges from financial support, and fund-raising activities. Where possible, we look to engage with our local community as a priority, supporting local charities, events and through donations.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"
We have a zero-tolerance approach to modern slavery, anti-bribery and corruption and discrimination. Guidance is included in our employment handbook available on our internal intranet

STRATEGIC REPORT FOR THE 15 MONTH PERIOD ENDED 30 JUNE 2022 (continued)

Section 172(1) Statement (continued)

S172(1) (F) "The need to act fairly as between members of the company"
The Directors seek to deliver on long-term strategy whilst taking into consideration the impact on our members, always acting fairly. We benefit from a good relationship with our shareholders and consider this relationship to be a unique strength of our business.

This report was approved by the board on 27 June 2023 and signed on its behalf by:

Mr G Cottom
Director

DIRECTORS' REPORT

The Directors present the strategic report and the annual report and financial statements of the Group for the 15 month period ended 30 June 2022.

PRINCIPAL ACTIVITIES

Gap Personnel Holdings Limited, is incorporated in England and Wales and is a specialist provider of both temporary and permanent recruitment solutions along with training and development. Our blue-collar business operates across a broad range of sectors that include FMCG, advanced manufacturing, waste and recycling, e-commerce, distribution / logistics and driving. Alongside this our white-collar business provides for sectors that include engineering & technical, supply chain, multilingual, management and executive.

MATTERS INCLUDED IN THE STRATEGIC REPORT

Details regarding a review of the business, including future developments, principal risks and uncertainties are provided in the Strategic Report on pages 2-7.

GOING CONCERN

The directors are fully aware of their duty to assess the group and company's going concern status and have attended to this with particular care in consideration of the current economic outlook.

The company and a number of its subsidiaries are active members of the BeNext UK Holdings group's invoice finance facility with Lloyds Bank Plc which is in place until August 2024. This facility allows for members of the facility to borrow 90% of the value of their debtor book up to a certain limit, which is capped at £20m for all members. This facility is uncommitted with a notice period for both parties of 90 days. The facility has been signed and entered into by BeNext UK Holdings Limited, and the company and a number of its subsidiaries are named as borrowers. Therefore, BeNext UK Holdings Limited is the controlling party of the facility who has ultimate control in deciding the allocation of the funds between the named group companies in the facility. The Company has been allocated £11.5m (Group allocation: £20M) of the overall fund however this can be varied as required.

The group and company's budgets were produced, taking a prudent view of trading activity for the current financial year and through to June 2024, this demonstrated that the group and company still had significant cash available whilst operating within the above facility limits throughout the period to and at June 2024. In addition to this, the directors undertook stress testing, and whilst the scenarios used were extreme there were instances in some months where the company was in a negative cash position, having utilised all of the available invoice discounting facility. As such, the Company and Group have received a letter of support from its parent company, see details below.

The directors therefore have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The group and company are, however, reliant on the invoice finance facility and as the facility is uncommitted, the Company has received a letter of support from BeNext-Yumeshin Group Co. confirming its intent to provide financial support if required for at least 12 months from the date of signing these financial statements.

During the period where the demand for labour was significantly greater than supply we saw an increase in permanent placement revenue as clients needed to bolster their headcounts. The cause of demand being greater than supply was due to a workforce decrease of 2% driven by early retirement, sickness and net migration. This challenge was met by our consultants who focused on recruiting the best talent available for our clients. We do however expect this to reverse as the general economy worsens with our clients seeking more flexibility rather than risk recruiting permanent staff. We are focused to meet his challenge and remain confident of hitting client expectations.

Our blue collar colleagues are also split across differing industries some of which e.g. food manufacturing, will be expected to fare much better than those industries where consumer demand will reduce. Historically this has always been the case in periods of economic uncertainty. The challenge will remain within the logistics industries as reduced consumer demand will reduce labour requirements however the shortage of labour mentioned previously may bring a state of equilibrium. Again we are best placed to deliver great service having recruitment specialist within our local branches with local knowledge and on-site teams with client/operational knowledge.

Other areas of our business which remain relatively untouched by the economic climate are within our specialist divisions e.g. healthcare and technical (engineering). These services have to continue despite external factors and hence we anticipate that both these divisions will continue to expand as we move forward.

RESULTS AND DIVIDENDS

The results for the 15 month period ending 30 June 2022 are shown on page 17

The Group generated revenues of £236.12m (for the year ended 31 March 2021: £180.12m) and generated profit after tax of £1.95m (31 March 2021: £2.33m). The Group had net assets of £4.558m (31 March 2021: £4.99m).

No dividends were paid during the period (for the year ended 31 March 2021: Nil).

EXEMPTION FROM AUDIT BY PARENT GUARANTEE

For the period ending 30 June 2022, Gap Personnel Holdings Limited (03589208) has provided a parent guarantee under s479A-479C of the Companies Act 2006 for the following entities:

Talent Invest Limited (previously Kerr Recruitment Limited)
Gap Technical Limited
Quattro Healthcare Limited
Quattro Group Holdings Limited
Driving Force Recruitment Limited

DIRECTORS' REPORT (continued)

DIRECTORS
The Directors of the Company who were in office during the period and up to the date of signing the financial statements were:

Mr D S M Roberts
Mr Y Kamata
Mr S Toyama
Mr G Cottom (appointed 5 July 2021)
Mr M Hull (appointed 5 July 2021)
Mr A Loveday (appointed 5 July 2021 and resigned 28 February 2022)
Ms N Thomas (appointed 5 July 2021)
Mr R Thorne (appointed 5 July 2021)
Mr Y Hiyoshi (appointed 23 August 2022)

GROWTH SHARE SCHEME
A scheme under which shares may be issued by the company to employees in the prior year was approved by the Board. The Board has adopted this Plan as an employees' share scheme within the meaning of Section 1166 Companies Act 2006 for the purposes of encouraging and/or facilitating the holding of Shares by selected Eligible Employees.

The purpose of this exercise is to incentivise and reward management by way of a potential capital gain in the region of £1.625 million, linked to the growth in the equity value of the company, i.e., the growth shares will participate in a proportion of the increase in the value of the business in excess of the predetermined hurdle.

Selected employees had the option to purchase D ordinary shares of £0.000001 each in the capital of the Company ("Growth Shares").

The shares have no value if the value of the business does not grow above the hurdle. The shares will have no voting rights or dividend rights.

The shares were valued at the date of issue and the persons issued with these shares will be required to pay full market value

The number of shares issued under the scheme is 680,000 D Ordinary shares of £0.000001, representing 18.428184% of the total share capital.

FUTURE DEVELOPMENTS
Future developments are disclosed in the strategic report on page 4.

FINANCIAL RISK MANAGEMENT
Financial risk management is disclosed in the strategic report on page 4.

DIRECTORS' INDEMNITY INSURANCE
Director and officer's qualifying third-party indemnity insurance is held during the financial period to the date of signing these financial statements.

PEOPLE

Our employees are our greatest assets, and throughout the period we have continued to maintain a substantial training budget to support the learning and development of all employees regardless of role. These programs include:

- Face to face Corporate induction (once COVID restrictions allowed)
- New Business and Customer Service Excellence program for all New Starters, completed within first 3 months of employment.
- In-house compliance and legislation workshops.
- A wide range of professional qualifications, including CIPD, CIMA, CICM, CIPS and Certificate in Recruitment Practice.
- 12-month Senior Management Development program.
- Director Coaching & Mentoring.
- Executive Development Program for our Senior Directors.
- Wellbeing programs for all employees.
- Online training libraries that employees can access for refresher training

As a result of the continued commitment to development and training, along with the Company's culture we have retained Investors in People GOLD and were also awarded Best Companies status (2 star) for the 12th year, which recognises Gap Personnel as a World Class employer.

DIRECTORS' REPORT (continued)

DISABLED EMPLOYEES

The Group gives full and fair consideration to applications for employment from disabled persons where the requirement of the role may be adequately covered by a handicapped or disabled person.

Regarding existing employees who may become disabled the Group would always looks for ways to continue employment under normal terms and conditions.

The Group is committed to treating everyone equally and will not discriminate on the grounds of an individual's "protected characteristic" under the Equality Act 2010 (the Act), including with regards to the training, career development and promotion of disabled persons.

POLITICAL DONATIONS

No political donations were paid during the period (31 March 2021: £Nil)

STAKEHOLDER ENGAGEMENT STATEMENT

The S172 statement sets out in detail how the Board have engaged with stakeholders including shareholders, employees, suppliers, customers, and community.

The diverse nature of our business, and our presence in a wide variety of sectors, from food processing to distribution means ongoing dialogue with a wide Group of stakeholders including customers, local community, employees, and shareholders is vital to us. This commitment to ongoing engagement means the views of our stakeholders can be considered before our Board makes key strategic decisions.

Our Customers

Delivering exceptional customer service is fundamental to our business and our customers are at the heart of everything we do. We consistently seek feedback in a variety of formats from our customers to improve the ways we can work collaboratively. We seek to build lasting relationships with our customers and value an outside in approach.

Our Community

We are invested in contributing to the communities we operate in. We are actively involved in various charitable local initiatives. Where possible, we look to engage with our local community as a priority, supporting local charities, events and through donations.

Our Suppliers

Our supplier base is relatively small. As we are a service business, our largest cost relates to the cost of labour. We do maintain an open dialogue with our suppliers and foster good working relationships. We are committed to treating our suppliers fairly and we are proud of our payment practices.

Our People

Our S172 statement sets out in detail how important our people are to our business. They are our greatest asset and we understand recruiting and retaining talent is fundamental to achieving our strategic ambitions. We regularly review pay and benefits and aim always to provide a safe working environment.

Wellbeing is a real focus and we invest in an employee assistance programme giving our people and their families access to a support service covering issues such as mental health and legal advice. We provide numerous forums for feedback and deliver a consistent message of empowerment.

It is the company's policy to provide equal opportunity for employees or applicants for employment irrespective of colour, race, nationality, ethnic origin, gender or marital status.

Our Shareholders

Finally, our relationships with our shareholders are as important as ever. We benefit from an open relationship with our shareholders and understand their own vision for the future of our organisation in detail.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Directors are pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions, for the parent company, Gap Personnel Holdings Ltd, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Energy usage data was recorded via the following methods:

- Invoices from electricity suppliers was used to collate the electricity usage data
- Invoices from the gas suppliers was used to collate the gas usage data.
- Transport data was collated from the expenses claimed from employees travelling for work using company cars. UK Government GHG Conversion Factors (financial control) for Company Reporting provided by the Department of Business, Energy & Industrial Strategy provided the conversion factors required to determine the energy usage associated with this activity.

DIRECTORS' REPORT (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (CONTINUED)

The carbon emissions were determined using 2022 emission factors in the UK Government GHG Conversion Factors for Company Reporting provided by the Department of Business, Energy & Industrial Strategy.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised within our branch network, as well as to our fleet of company cars. Scope 2 relates to the indirect emissions relating to the consumption of electricity in day-to-day business operations, which is monitored through regular meter readings being supplied to our energy providers. Scope 3 relates to associated business mileage completed in employee owned vehicles.

Breakdown of energy consumption (kWh):

	15 months ended 30 June 2022	12 months ended 31 March 2021
Energy consumption used to calculate emissions (kWh):		
Gas (scope 1)	8,677	14,138
Electricity (scope 2)	290,872	209,011
Company Vehicles (scope 1)	184,974	81,678
Employee owned vehicles (scope 3)	602,609	486,589
Total kWh	**1,087,132**	**791,416**

Breakdown of emissions associated with the reported energy use (tCO_2e)

Scope 1:		
Emissions from combustion of natural gas	3	3
Emissions from company owned vehicles	68	20
Total Scope 1	**71**	**23**
Scope 2: Emissions from purchased electricity	**56**	**53**
Scope 3: Emissions from business mileage in employee owned vehicles	**221**	**172**
Total gross CO_2e	**348**	**248**
Total Gross Emission Per FTE	**1.26**	**1.10**
Average no. of FTE (permanent employees)	**277**	**225**

Energy Efficiency Improvements & Carbon Reduction Initiatives

The Board of Directors are ultimately responsible for establishing an Environmental, Social and Governance (ESG) policy framework and strategy, and are accountable for ensuring it is communicated clearly across the company, with the added application of practical activity, targets, and continual review and monitoring to ensure that strategic objectives are met and protecting long term success of the Company. For the Board of Directors, ESG is about assessing the Company's net positive impact in the world, and taking concerted, defined, and measurable action to improve it. The drive to assess a broader range of factors in a holistic manner, from environmental and climate change considerations, to social issues, our organisational structure, and always reaching for better governance, demonstrates the long term commitment to ESG and our dedication to continuous improvement.

During the year, the company has continued to encourage, where possible, some of the practices adopted during lockdown, such as meetings performed by video call or working remotely. In addition we are continuing to replace our fleet of petrol/diesel cars with electric alternatives as company car leases come to the end of their term.

INDEPENDENT AUDITORS

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

DIRECTORS' REPORT (continued)

CORPORATE GOVERNANCE STATEMENT

The Board recognises the need for strong corporate governance and although there is no formal framework the Group benefits from being part of BeNext-Yumeshin Group Co -a listed company on The Tokyo Stock Exchange. The BeNext-Yumeshin Group Co. provides the control, support and advice to the Board ensuring that strategy, culture, and values are upheld.

The Board is composed of an Executive Chairperson from BeNext UK, a senior representative of BeNext-Yumeshin Group Co. and a UK Directorship team, a total Board composition of 7 members. This gives the Group a Board that has skills and experience gained within the UK recruitment industry but also a wealth of international and multicultural knowledge. The inclusion of members from the parent Group to the Board ensures that decisions are balanced whilst also considering BeNext-Yumeshin Group Co. policies and purpose. Sitting below Board level is a very strong management team with many years of service both within the recruitment and associated industries.

The Company operates within a framework of operating rules, policies and delegations of authorities established both internally and by BeNext-Yumeshin Group Co. Each Director specialises in their chosen area and is accountable for that department. They take ownership of their team and their performance whilst utilising shared specialist areas such as HR. Compliance of each department along with financial reporting is the responsibility of independent Directors and hence decisions are carefully considered and measured against targets whilst all Directors are encouraged to challenge and discuss as appropriate.

The Group aims to promote a healthy and ethical corporate culture and operates a whistleblowing policy along with a suite of policies covering areas such as anti-corruption and bribery, equal opportunities, modern slavery etc. As a result, the Board is satisfied that an ethical culture exists within the Group.

Board meetings are held every month and are joined, each quarter, by further Directors from BeNext-Yumeshin Group Co. At the quarterly meeting the agenda is expanded to review strategy and corporate decisions. BeNext-Yumeshin Group Co. has a team of internal auditors that conduct quarterly reviews of both financial and operational policies and practices within Gap. This is accompanied by at least 1 visit to the UK per year to interview the Directors and senior management. Gap prides its-self on its professional Compliance team, reporting directly to the Board, which ensures both legal and ethical compliance.

The Company tracks its progress towards its strategic vision through its scorecard. This report goes beyond financial targets as the Company aims to take a balanced approach in delivering sustainable success. The reports are shared and relayed to managers.

The Company intends to minimise risk in all areas and the Compliance teams are involved on a day-to-day basis assisting the whole business whilst Internal Audit request various items on a quarterly basis. Operations opportunities and risks are identified by all personnel and the Company structure combined with swift communication channels ensure that the right specialist team gets to know quickly and either progresses the opportunity or mitigates the risk. Any legislative changes are always discussed by the Board before being handed to the correct team to implement, with the results communicated at the monthly Board meeting.

The Directors recognise the importance of its stakeholders and as such aim to have meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

As a provider of a contingent workforce, the Company view their employees as key to the entire operation of the Company. All employees are supported by a highly skilled and experienced team to find appropriate work in safe environments. There are regular feedback sessions for employees to voice concerns or to make recommendations which once discussed will be communicated to the client. The provision of other communication channels such as a dedicated whistle blowing line ensure that the employees can provide open and honest feedback at all times. There are several other communication channels available to the administration and management teams e.g., the Gap Insight mailshot which is used to keep employees abreast of both business and industry news. Each team meet on a regular basis where such things as company performance, legislation amendments, successes etc. are shared and feedback received.

The composition of the Board combined with regular and open communications with the Parent group ensure that the shareholders are part of the strategic decision-making process. The shareholders fully understand the importance of the Company continuing as a going concern and are fully aware of company performance along with economic pressures, as demonstrated by the inter-company loan during the COVID-19 pandemic. These funds remain within the Company providing the capital for future investments and growth.

As the industry is highly regulated the Company believe that it is important to be at the forefront of any potential changes to legislation e.g. the latest IR35 amendments. Directors and senior Managers regularly attend seminars where they can discuss changes with the Regulators as well as other companies within the industry. The Company has 'open' lines of communication with the Regulators and will often ask advice before making decisions. The Company is also a member of many Industry bodies.

All suppliers are expected to abide by our Supplier Code of Conduct. The Compliance team will audit every supplier on an annual basis as well as each new supplier undergoing a rigorous selection process.

Approved by the Board of Directors and signed on behalf of the Board:

Mr G Cottom
Director
27 June 2023

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements 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 safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

DIRECTORS CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all 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.

Mr G Cottom
Director
27 June 2023

Independent auditors' report to the members of Gap Personnel Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Gap Personnel Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2022 and of the group's profit and the group's cash flows for the 15 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Group and Company Statements of Financial Position as at 30 June 2022; the Group Income Statement, the Group Statement of Cash Flows and the Group and Company Statements of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the assumptions that underpin the Directors' cash flow forecasts for the period to June 2024 and assessing them for reasonableness via comparison to historic and current performance;
- Obtaining relevant financing facilities, reviewing their terms and ensuring the facilities included in the Directors' cash flow forecasts are available to the group and company throughout the going concern period; and
- Considering the appropriateness of the Directors' downside sensitivity and concluding that the sensitivity presented a severe but plausible downside scenario.
- Obtaining evidence of the ability and intent of the parent company to provide any financial support necessary to enable the company to continue as a going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

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 period ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

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 an auditors' 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment law, agency worker regulations, data protection regulations and health and safety law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to manipulate financial performance, including posting journal entries to overstate revenue and management bias in determining significant accounting estimates. Audit procedures performed by the engagement team included:

- Reviewing minutes of meetings of those charged with governance;
- Obtaining an understanding of the legal and regulatory framework applicable to the company and how the company are complying with that framework;
- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims, litigation and instances of fraud;
- Identifying and testing journal entries meeting specific risk criteria for example journal entries posted with an unusual account combination impacting revenue or costs; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Simon White (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

27 June 2023

GROUP INCOME STATEMENT
For the 15 month period ending 30 June 2022

	Note	Period ending 30 June 2022	Year ending 31 March 2021
		£'000	£'000
TURNOVER	4	236,124	180,120
Cost of sales		(209,467)	(161,895)
GROSS PROFIT		26,657	18,225
Administrative expenses		(23,912)	(17,289)
Other operating income		224	2,471
OPERATING PROFIT	5	2,969	3,407
Interest receivable and similar income		213	119
Interest payable and similar expenses	6	(646)	(508)
PROFIT BEFORE TAXATION		2,536	3,018
Tax on profit	7	(585)	(688)
PROFIT FOR THE FINANCIAL PERIOD/ YEAR		1,951	2,330
Profit for the financial period / year attributable to:			
Owners of the parent company		1,680	2,125
Non-controlling interest		271	205
		1,951	2,330

There has been no other comprehensive income attributable to the shareholders other than the profit for the current period and preceding financial year as shown above (for year ended 31 March 2021: £nil).

The accompanying notes on pages 22 to 40 form an integral part of these financial statements

All amounts related to continuing operations.

GROUP STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Note	30 June 2022 £'000	31 March 2021 £'000
FIXED ASSETS			
Intangible assets	8	4,783	5,024
Property, plant, and equipment	9	811	887
		5,594	5,911
CURRENT ASSETS			
Debtors	11	25,880	28,276
Cash at bank and in hand		5,198	5,262
		31,078	33,538
CREDITORS: amounts falling due within one year	12	(21,222)	(23,213)
Provisions for liabilities	12	-	(357)
NET CURRENT ASSETS / (LIABILITIES)		9,856	9,968
TOTAL ASSETS LESS CURRENT LIABILITIES		15,450	15,879
CREDITORS: amounts falling due after more than one year	12	(10,573)	(10,886)
Provisions for liabilities	12	(319)	-
NET ASSETS		4,558	4,993
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Share option reserve	15	159	556
Profit and loss account	15	5,679	4,797
Put and call option	15	(1,745)	(1,322)
Non-controlling interest	15	465	962
TOTAL SHAREHOLDERS' FUNDS		4,558	4,993

The accompanying notes on pages 22 to 40 form an integral part of these financial statements.

The financial statements on pages 17 to 40 were approved by the Board of Directors on 27 June 2023 and signed on its behalf by:

Mr G Cottom
Director

Registered number: 03589208

COMPANY STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Note	30 June 2022 £'000	31 March 2021 £'000
FIXED ASSETS			
Intangible assets	8	56	62
Property, plant and equipment	9	475	639
Investments	10	12,128	10,336
		12,659	11,037
CURRENT ASSETS			
Debtors	11	20,332	23,446
Cash at bank and in hand		1,736	2,202
		22,068	25,648
CREDITORS: amounts falling due within one year	12	(19,711)	(21,105)
NET CURRENTASSETS		2,357	4,543
TOTAL ASSETS LESS CURRENT LIABILITIES		15,016	15,580
CREDITORS: *amounts falling due after more than one year*	12	(8,828)	(10,886)
Provision for liabilities	12	(152)	-
NET ASSETS		6,036	4,694
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Growth Share Scheme	15	651	556
Profit and loss account	15	5,385	4,138
TOTAL SHAREHOLDERS' FUNDS		6,036	4,694

The group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented in the company's Income Statement in these financial statements. The result for the Company for the period was a profit of £1,247,000 (for year ended 31 March 2021: profit of £1,557,000).

The accompanying notes on pages 17 to 40 form an integral part of these financial statements.

The financial statements on pages 17 to 40 were approved by the Board of Directors on 27 June 2023 and signed on its behalf by:

Mr G Cottom
Director

Registered number: 03589208

GROUP STATEMENT OF CASH FLOWS
For the 15 month period ending 30 June 2022

	Period ended 30 June 2022 £'000	Year Ended 31 March 2021 £'000
Cash flows from operating activities		
Operating Profit	2,969	3,407
Adjustments for:		
Amortisation of goodwill	640	452
Amortisation of patents and trademarks	6	5
Amortisation of customer lists	946	757
Depreciation of property, plant and equipment	612	393
Decrease / (Increase) in trade and other debtors	3,632	(4,313)
Increase in trade creditors	939	3,796
Tax paid	(585)	(775)
Net cash generated from operating activities	9,159	3,722
Cash flows from investing activities		
Purchase of property, plant and equipment	(536)	(375)
Acquisition (net of cash)	172	-
Interest receivable and similar expenses	213	-
Net cash used in investing activities	(151)	(375)
Cash flows from financing activities		
Repayment of Loan to Parent Company	(2,672)	-
Receipt of Loan from Parent Company	-	7,695
Repayment of invoice finance facility	(286,864)	(205,570)
Receipt from invoice finance facility	284,323	200,699
Repayment of other loans	(1,450)	-
Repayment of acquired bank loan	(313)	-
Deferred consideration paid	-	(1,306)
Acquisition of non controlling interest	(1,322)	(1,881)
Interest payable and similar expenses	(646)	(509)
Net cash used in financing activities	(8,944)	(872)
Net increase in cash and cash equivalents	64	2,475
Cash and cash equivalents at the beginning of year	5,262	2,787
Cash and cash equivalents at end of year	5,198	5,262

GROUP STATEMENT OF CHANGES IN EQUITY
For the 15 month period ending 30 June 2022

	Called up share capital £'000	Profit and loss account £'000	Share option reserve £'000	Put and call option £'000	Equity attributable to parent £'000	Non-controlling interest £'000	Total Shareholders' Funds £'000
Balance as of 1 April 2020	-	3,504	-	(3,203)	301	1,806	2,107
Profit for the year	-	2,125	-	-	2,125	205	2,330
Exercise of put and call option	-	(1,881)	-	1,881	-	-	-
Purchase of NCI	-	1,049	-	-	1,049	(1,049)	-
Share issued	-	-	556	-	556	-	556
Balance as of 31 March 2021	-	4,797	556	(1,322)	4,031	962	4,993
Profit for the period	-	1,680	-	-	1,680	271	1,951
Exercise of put and call option	-	(1,322)	-	1,322	-	-	-
Revaluation	-	-	(397)	-	(397)	-	(397)
NCI	-	-	-	-	-	90	90
Acquisition of NCI	-	(334)	-	-	(334)	-	(334)
Put and call on Acquisition	-	-	-	(1,745)	(1,745)	-	(1,745)
Purchase of NCI	-	858	-	-	858	(858)	-
Balance as of 30 June 2022	-	5,679	159	(1,745)	4,093	465	4,558

COMPANY STATEMENT OF CHANGES IN EQUITY
For the 15 month period ending 30 June 2022

	Called up share capital £'000	Profit and loss account £'000	Growth share scheme £'000	Total Shareholders' Funds £'000
Balance as of 1 April 2020	-	2,581	-	2,581
Profit for the year	-	1,557	-	1,557
Shares issued	-	-	556	556
Balance as of 31 March 2021	-	4,138	556	4,694
Profit for the period	-	1,247	-	1,247
Revaluation	-	-	95	95
Balance as of 30 June 2022	-	5,385	651	6,036

NOTES TO THE FINANCIAL STATEMENTS
For the 15 month period ending 30 June 2022

1 STATUTORY INFORMATION

Gap Personnel Holdings Limited is a private company limited by shares domiciled in England and Wales, registration number 03589208. The registered office is Pulford House, Bell Meadow Business Park, Park Lane, Pulford, Chester CH4 9EP.

2. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, the historical cost convention and in accordance with the Companies Act 2006. The accounting policies adopted are described below and have been applied consistently throughout the current and prior years.

Basis of preparation

The preparation of these financial statements is in accordance with the requirements of FRS102. There were no material departures from that standard.

The directors are fully aware of their duty to assess the group and company's going concern status and have attended to this with particular care in consideration of the current economic outlook.

The company and a number of its subsidiaries are active members of the BeNext UK Holdings group's invoice finance facility with Lloyds Bank Plc which is in place until August 2024. This facility allows for members of the facility to borrow 90% of the value of their debtor book up to a certain limit, which is capped at £20m for all members. This facility is uncommitted with a notice period for both parties of 90 days. The facility has been signed and entered into by BeNext UK Holdings Limited, and the company and a number of its subsidiaries are named as borrowers. Therefore, BeNext UK Holdings Limited is the controlling party of the facility who has ultimate control in deciding the allocation of the funds between the named group companies in the facility. The Company has been allocated £11.5m of the overall fund however this can be varied as required.

The group and company's budgets were produced, taking a prudent view of trading activity for the current financial year and through to June 2024, this demonstrated that the group and company still had significant cash available whilst operating within the above facility limits throughout the period to and at June 2024. In addition to this, the directors undertook stress testing, and whilst the scenarios used were extreme there were instances in some months where the company was in a negative cash position, having utilised all of the available invoice discounting facility. As such, the Company and Group have received a letter of support from its parent company, see details below.

The directors therefore have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The group and company are, however, reliant on the invoice finance facility and as the facility is uncommitted, the Company has received a letter of support from BeNext-Yumeshin Group Co. confirming its intent to provide financial support if required for at least 12 months from the date of signing these financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows qualifying entities to take certain exemptions. The Company is deemed a qualifying entity under FRS 102 and is eligible to take certain exemptions given its results are consolidated in these financial statements. The Company has taken advantage of an exemption from the requirement to prepare:

- Related parties disclosures including total compensation of key management personnel by paragraph 33.7 of FRS 102;
- Exemption under section 408 of the Companies Act 2006 not to present the Company Income Statement; and
- The financial instruments disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29.
- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows.

Consolidation and results

The Group consolidated financial statements include the financial statements of the company and all its subsidiary undertakings, with the exception of gap Spolka which has been assessed as immaterial to the group, together with the Group's share of the results of associates made up to 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

2. ACCOUNTING POLICIES (CONTINUED)

Consolidation and results (continued)

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the period are included up to, or from, the dates of change of control or change of significant influence, respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the Group control is accounted for as a business combination. Thereafter where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities, or provisions for contingent liabilities.

All intra-Group transactions, balances, income, and expenses are eliminated on consolidation.

Trade Debtors and Invoice Financing Facility

The carrying amounts of the trade debtors include debtors which are subject to invoice financing arrangement. Under this arrangement, the company/group would transfer debtors to the factor in exchange for cash and is prevented from selling or pledging the debtors. However, the company has retained late payment and credit risk over these debtors and therefore continues to recognise the debtors in their entirety in its balance sheet. The amount payable under the invoice financing arrangement is presented as secured borrowing. The company/group measures both the debtors and financing liability under this arrangement at amortised cost.

Taxation

Current tax, including corporation tax, is provided at amounts 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 is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, based on all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Turnover

Turnover is stated net of VAT and trade discounts. All turnover is generated from UK business. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Revenue recognition is triggered following the completion of contractual obligations to our customers on a weekly cycle, following the authorisation of timesheets for work completed. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

2. ACCOUNTING POLICIES (CONTINUED)

Intangible assets - patents and trademarks

Patents and trademarks are included at cost and depreciated in equal annual instalments over a period of 20 years, which is their estimated useful economic life. Provision is made for any impairment.

Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is 10 years. Provision is made for any impairment.

Other Intangible assets – customer lists

The fair value of acquired other intangible assets is capitalised and, subject to impairment reviews, amortised over their estimated lives (estimated to be 5 years).

Foreign Currency

i) Functional and presentation currency

The Group financial statements are presented in pound sterling.

The Company's functional and presentation currency is the pound sterling.

All transactions and balances are denoted in pound sterling. There are no foreign currency transactions entered into it during the financial period.

Property, Plant and Machinery

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset as follows:

Plant, Machinery, Fixtures and fittings	20% straight line
Motor vehicles	20% straight line
Leasehold improvements	Lower of 20% straight line or term of lease

Impairment of goodwill and investments

The Group tests annually whether goodwill and investments have suffered any impairment, in accordance with the accounting policy.

Investments in subsidiaries

Investments in subsidiaries are held as fixed assets are stated at cost less provision for impairment.

Other operating income

Other operating income includes revenue from all other operating activities, which are not related to the principal activities of the business. Grants are accounted under the accruals model as permitted by FRS102. Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

Growth share scheme

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

2. ACCOUNTING POLICIES (CONTINUED)

Growth share scheme (continued)

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

Basic financial assets

The entity is applying (a) section 11 and 12 of FRS 102, in respect of recognition and measurement of financial instruments. The accounting policies have been applied consistently.Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies 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 receipts discounted at a market rate of interest. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the year of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Interest payable and similar charges

Interest payable in the period is in relation to the Invoice discounting facility and interest payable on group undertakings.

Interest receivable and similar charges

Interest receivable in the period is in relation to the intercompany loans where a borrowing rate has been agreed.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Administrative Expenses

Administrative expenses are the overheads and support costs of the group.

Cost of Sales

Cost of sales is the employment costs of our temporary workers, including wages, employers' pensions, employers' NI costs and holiday pay provisions.

Related party transactions

The Company has taken advantage of the exemption as per Section 33, paragraph 33.7 of FRS 102, from disclosing transactions with other wholly owned members of the Group headed by Gap personnel Group Limited.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

2. ACCOUNTING POLICIES (CONTINUED)

Put and call option

The group has written put options over the equity of Driving Force Recruitment Holdings Limited subsidiary which permit the holder to put their shares in the subsidiary back to the group at their fair value after the second anniversary of the initial transaction to acquire 30% of the share capital. The amount that might become payable under the option on exercise is initially recognised at the present value of the redemption amount within borrowings, with a corresponding charge directly to equity. The charge to equity is recognised separately as written put options over non-controlling interests, adjacent to non-controlling interests in the net assets of consolidated subsidiaries.

The liability is subsequently accreted through equity up to the redemption amount that is payable at the date at which the option first becomes exercisable. If the option expires unexercised, the liability is derecognised, with a corresponding adjustment to equity.

Critical accounting judgements and estimation uncertainty

The preparation of the financial statements require management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

i) Impairment of goodwill and investments

The Group and Company would evaluate whether any impairment triggers exist that would warrant an annual impairment assessment i.e., to determine whether goodwill and investments have suffered any impairment, in accordance with the accounting policy. In the current year the labour shortage was a regarded as a trigger hence why a discounted cash flow model was created, and an impairment assessment performed. The base assumptions of the model were FY23-FY25 forecasts, long term growth rate of 2% and a WACC of 12%. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, both in arriving at the expected future cash flows and in the application of a suitable discount rate to calculate the present value of these cash flows.

Moreover, sensitivity analysis is applied to determine whether any key inputs are sensitive to change. This includes movements in the revenue lines by between 3-10%, in the discount rate by 3% and movements in overheads by up to 5% in FY22. Variations to the revenues of both temporary and permanent placements have been analysed as the effect on Gross Margin differs e.g. a 5% fall in temporary revenue only has a 0.5% effect on Margin whereas any fall in permanent placement fees effects the gross margin directly as the cost of sales associated to permanent fees are much less. Permanent fees are however a much smaller % of total Group revenue.

The effect of increased pay rates or legislative changes to statutory deductions are, in the main, discussed with clients and usually result in an increased charge rate hence the margin is relatively protected. This means that the main area of sensitivity remains with the loss or slowdown of business.

The Company has a significant banking ID facility which allows for a large % of the weekly invoice to be 'drawn down', which if utilised, would cover all of the weekly wages costs. The usage of this facility is minimum (circa 10-15% of the total available) as The Company benefits from a loan from its parent and has very good payment terms in place with its debtors.

If revenue was to significantly decrease then operational changes would be implemented to reduce overhead accordingly, the parent loan repayments could be delayed and a larger % of the ID facility utilised.

The current low usage of the ID facility means that movement in the discount rate has a negligible effect on DCF.

Based on the sensitivity analysis performed there still exists sufficient headroom to allow for significant changes in any or all key inputs and therefore the changes modelled do not result in any potential impairment.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

Wages and salaries

The average monthly number of employees (including directors) was:

	Group		Company	
	Period ended 30 June 2022 Number	Year ended 31 March 2021 Number Re-stated	Period ended 30 June 2022 Number	Year ended 31 March 2021 Number Re-stated
Sales	246	252	153	189
Administration	31	44	31	36
Temporary workers	7,415	7,831	5,215	5,823
	7,692	8,127	5,399	6,048

Their aggregate remuneration comprised:

	Group		Company	
	Period ended 30 June 2022 £'000	Year ended 31 March 2021 £'000 Re-stated	Period ended 30 June 2022 £'000	Year ended 31 March 2021 £'000 Re-stated
Wages and salaries	204,727	167,017	140,338	119,172
Social security costs	15,909	6,177	11,121	5,461
Other Pension costs– aggregate value paid	1,782	968	1,268	637
	222,418	174,162	152,727	125,270

The wages and salary information above, including the monthly number of employees, has been restated in order to include our Temporary workers.

Directors' remuneration

The aggregate directors' remuneration comprised:

	For the Period ended 30 June 2022 £'000	For the Year ended 31 March 2021 £'000
Wages and salaries	1,092	210
Social security costs	107	28
Pension costs– aggregate value paid	68	2
	1,267	240

The highest paid directors' remuneration comprised:

	For the Period ended 30 June 2022 £'000	For the Year ended 31 March 2021 £'000
Wages and salaries	322	210
Social security costs	29	28
Pension costs– aggregate value paid	53	2
	404	240

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

During the year retirement benefits were accruing to 1 director (31 March 2021:1) in respect of a defined contribution pension scheme.

The value of the Groups contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £53,400 (31 March 2021: £2,000)

The company defines the listed directors as the only key management personnel within the Group, who are deemed to be only those in Gap Personnel Holdings Limited, as parent company, as the directors of other entities have no influence over the decisions made in Gap Personnel Holdings Limited.

In the prior year, Senior Managers of the group have been issued with a newly created class of share, the purpose of which is to incentivise and reward management through the award of growth shares which will participate in a proportion of the increase in the value of the business in excess of a predetermined hurdle. The shares will have no value if the value of the business does not grow above the hurdle and have no voting or dividend rights.

4 TURNOVER

The whole of the turnover is attributable to the principal activity of the Group wholly undertaking in the United Kingdom.

Analysis of Group turnover by Category	**Period ended 30 June 2022 £'000**	**Year ended 31 March 2021 £'000**
Temporary Sales	232,815	179,160
Training Sales	-	2
Permanent Sales	3,309	958
	236,124	180,120

Analysis of Company turnover by Category	**Period ended 30 June 2022 £'000**	**Year ended 31 March 2021 £'000**
Temporary Sales	159,555	128,077
Training Sales	-	2
Permanent Sales	2,137	401
	161,692	128,480

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

5 OPERATING PROFIT

Group operating profit is stated after charging:	Period ended 30 June 2022 Re-stated £'000	Year ended 31 March 2021 Re-stated £'000
Depreciation of property, plant and equipment		
- owned	612	393
Amortisation of patents and trademarks	6	5
Amortisation of goodwill	640	452
Amortisation of other intangible assets	-	-
Amortisation of customer lists	946	757
Operating lease rental		
- property	725	529
- other	375	306
Fees payable to the Company's auditors for the audit of the Company's and Group's annual financial statements	134	63
Fees payable for the audit of subsidiary's		
Global Personnel Group Limited	23	3
Quattro Recruitment Limited	49	32
Driving Force Recruitment Limited	45	-
Gap Technical Limited	-	3
Quattro Healthcare Limited	-	15
Total audit fees	251	116

Fees payable to the Company's auditors for the audit of the Company's and Group's annual financial statements relates to the statutory audit of the company's individual financial statements and the consolidation itself.

The disclosures above are for the Group. The Company is not required, in its individual financial statements to disclose separately information about fees for non-audit services provided to the Company because the consolidated financial statements are required to disclose such fees on a consolidated basis.

The audit fee represents the amount paid to PricewaterhouseCoopers LLP.

6 INTEREST

	Period ended 30 June 2022 £'000	Year ended 31 March 2021 £'000
Interest payable on borrowings	(646)	(508)
Interest receivable on borrowings	213	119
	(433)	(389)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

7 TAX ON PROFIT

	Period ended 30 June 2022 £'000	Year ended 31 March 2021 £'000
Current taxation:		
UK corporation tax charge for the period / year	775	833
Deferred taxation:		
Origination and reversal of timing differences (note 14)	(190)	(145)
Total tax	585	688

Factors affecting tax charge

The tax assessed for the period is higher than (31 March 2021: higher than) the standard rate of corporation tax in the UK of 19% (31 March 2021: 19%). The differences are explained below:

	Period ended 30 June 2022 £'000	Year ended 31 March 2021 £'000 Re-stated
Profit before taxation	2,536	3,018
Profit before taxation at the standard rate of corporation tax in the UK of 19% (31 March 2021:19%)	482	573
Effects of:		
Expenses not deductible for tax purposes	375	246
Non trading Loan Agreement	15	18
Capital allowances in excess of depreciation	(97)	(4)
Deferred Tax liabilty	(190)	(145)
Total tax charge for the year / period	585	688

During the 15 month period ending 30 June 2022, corporation tax has been calculated at 19% of estimated assessable profits for the period (31 March 2021:19%).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021.

The deferred tax balance was provided at a rate of 19%. There was no material impact on the liability when calculating at the future realisation rate of 25% and so no additional provision has been made.

The comparative has been updated as the disclosure incorrectly reconciled to the current tax charge of £833k as opposed to the total tax charge of £688k.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

8 INTANGIBLE ASSETS

Group

	Customer Lists £'000	Patents and trade-marks £'000	Goodwill £'000	Total £'000
Cost				
At 1 April 2021	3,785	100	5,949	9,834
Additions	-	-	1,351	1,351
At 30 June 2022	3,785	100	7,300	11,185
Accumulated amortisation				
At 1 April 2021	1,956	37	2,817	4,810
Charge for the period (note 5)	946	6	640	1,592
At 30 June 2022	2,902	43	3,457	6,402
Net book value				
At 30 June 2022	883	57	3,843	4,783
At 31 March 2021	1,829	63	3,132	5,024

Company

	Patents and trademarks £'000	Goodwill £'000	Total £'000
Cost			
At 1 April 2021	100	1,270	1,370
At 30 June 2022	100	1,270	1,370
Accumulated amortisation			
At 1 April 2021	38	1,270	1,308
Charge for the period	6	-	6
At 30 June 2022	44	1,270	1,314
Net book value			
At 30 June 2022	56	-	56
At 31 March 2021	62	-	62

The Directors evaluated whether there were any impairment triggers that would require a full impairment assessment to be made over intangible assets. The labour shortage was regarded as an impairment trigger in the current period. To support the recoverability of Goodwill and customer lists, a discounted cash flow model which embedded the director's future forecasts were used to evaluate whether there was sufficient headroom between the carrying value and the enterprise value. Sufficient headroom was present in the model which concluded that no impairment charge was required for the financial period ended 30 June 2022. Please refer to page 26 for additional information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

9 PROPERTY, PLANT AND EQUIPMENT

Group

	Plant, machinery, fixtures, and fittings £'000	Motor vehicles £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 April 2021	1,833	29	659	2,521
Additions	475	38	23	536
Disposal within the period	(625)	(19)	(389)	(1,033)
At 30 June 2022	1,683	48	293	2,024
Accumulated depreciation				
At 1 April 2021	1,126	27	481	1,634
Disposal within the period	(625)	(19)	(389)	(1,033)
Charge for the period	528	13	71	612
At 30 June 2022	1,029	21	163	1,213
Net book value				
At 30 June 2022	654	27	130	811
At 31 March 2021	707	2	178	887

Company

	Plant, machinery, fixtures, and fittings £'000	Motor vehicles £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 April 2021	1,529	29	553	2,111
Additions	325	13	-	338
Disposal within the period	(624)	(19)	(389)	(1,032)
At 30 June 2022	1,230	23	164	1,417
Accumulated depreciation				
At 1 April 2021	976	27	469	1,472
Disposal within the period	(624)	(19)	(389)	(1,032)
Charge for the period	458	3	41	502
At 30 June 2022	810	11	121	942
Net book value				
At 30 June 2022	420	12	43	475
At 31 March 2021	553	2	84	639

The Directors have considered the recoverability of the carrying values of Property, Plant and Equipment. No impairment has been identified or recognised based on the current forecasts of the Group and Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

10 INVESTMENTS

Company	£' 000
Cost	
At 1 April 2021	10,374
Additions	1,792
Disposals	-
At 30 June 2022	12,166
Provisions for impairment	
At 1 April 2021	(38)
Provision for the period	-
At 30 June 2022	(38)
Net book value	
At 30 June 2022	12,128
At 31 March 2021	10,336

The Directors evaluated whether there were any impairment triggers that would require a full impairment assessment to be made over investments in subsidiaries. The labour shortage was regarded as an impairment trigger in the current period. To support the recoverability of investments in subsidiaries, a discounted cash flow model which embedded the director's future forecasts of the investee was used to evaluate whether there was sufficient headroom between the carrying value and the enterprise value. Sufficient headroom was present in the model which concluded that no impairment charge was required for the financial period ended 30 June 2022. Please refer to page 26 for additional information.

Name of Company	Country of Incorporation	Registered Address	Class of Share Percentage	Direct or Indirect
Kerr Recruitment Limited	England	Pulford House, Park Lane, Chester CH4 9EP	100%	Direct
Gap Technical Limited	England	Pulford House, Park Lane, Chester CH4 9EP	90%	Direct
Gap Personnel (Telford) Ltd	England	Pulford House, Park Lane, Chester CH4 9EP	90%	Direct
Quattro Recruitment Limited	England	Bank of England Court, Norwich, NR2 4SX	100%	Direct
Driving Force Recruitment Holdings Limited	England	Pulford House, Park Lane, Chester CH4 9EP	70%	Direct
DFR Holdings Ltd		Pulford House, Park Lane, Chester CH4 9EP	63%	Indirect
Driving Force Recruitment Limited	England	1-3 Bath Hill, Keynsham, Bristol, England, BS31 1EB	51%	Indirect
Quattro Healthcare Limited	England	Bank of England Court, Norwich, NR2 4SX	100%	Direct
Quattro Group Holdings Limited	England	Bank of England Court, Norwich, NR2 4SX	100%	Direct
Global Personnel Group Limited	England	Pulford House, Park Lane, Chester CH4 9EP	70%	Direct
Gap Personnel Group Spolka	Poland	Opolska 17 -19/1, Katowice, Poland	70%	Direct

During the year, Gap Personnel Holdings Limited purchased 70% of the share capital of Driving Force Recruitment Holdings Ltd.

All companies listed above are included in the Group consolidation, with the exception of Gap Personnel Group Spolka, whose transactions in the year are viewed as immaterial for group reporting purposes.
The company has guaranteed the liabilities for the following subsidiaries in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the period ended June 2022:

Talent Invest Limited (previously Kerr Recruitment Limited)
Gap Technical Limited
Quattro Healthcare Limited
Quattro Group Holdings Limited
Driving Force Recruitment Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

11 DEBTORS

	Group 30 June 2022 £'000	Company 30 June 2022 £'000	Group 31 March 2021 £'000	Company 31 March 2021 £'000
Due within one year:				
Trade debtors	22,800	15,931	26,769	22,540
Amounts owed by group undertakings	-	1,864	-	-
Other debtors	686	870	543	352
Prepayments and accrued income	2,394	1,667	964	554
	25,880	20,332	28,276	23,446

Amounts owed by group undertakings are non-interest bearing and repayable on demand.

Historically the Company has had a limited number of year on year write offs, however the Company does have a credit insurance policy. The policy covers £5m for a single or a multiple of claims over the year and will pay 90% of any successful claim.

Each debtor is individually assessed by the Insurer and a credit/insured limit is established. The Credit Control department manage each debtor and notify the operational teams of any amendments to the credit limits. Monthly exception reports are issued indicating those debtors that fall outside their insured terms.

The Company believes that it is not necessary to make any provision for bad debts.

12 CREDITORS

Amounts falling due within one year

	Group 30 June 2022 £'000	Company 30 June 2022 £'000	Group 31 March 2021 £'000	Company 31 March 2021 £'000
Trade creditors	52	376	870	625
Amounts owed to Group undertakings	1,090	5,719	1,415	5,934
Corporation tax payable	413	147	109	38
Other taxation and social security	7,945	4,775	7,410	3,547
Other creditors	2,655	1,125	1,890	1,216
Invoice finance facility repayable	3,864	3,929	5,560	6,090
Put and call option liability on acquisition	-	-	1,322	-
Accruals and deferred income	5,203	3,640	4,637	3,655
	21,222	19,711	23,213	21,105

Amounts owed to Group undertakings is owed to the ultimate parent company, BeNext Yumeshin Group Co and bears an interest rate of 2.311% (2021: 2.311%) and are repayable by May 2023.

Other creditors consist of employment costs accrued in the year, but payable post year end.

The Group invoice finance facility is secured by a fixed and floating charge over the assets of the Group.

Amounts falling due after more than one year	Group 30 June 2022 £'000	Company 30 June 2022 £'000	Group 31 March 2021 £'000	Company 31 March 2021 £'000
Put and call option liability on acquisition	1,745	-	-	-
Amounts owed to Group Undertakings	8,828	8,828	10,886	10,886
Total	10,573	8,828	10,886	10,886

Amounts owed to Group undertakings is owed to the ultimate parent company, BeNext Yumeshin Group Co and bears an interest rate of 2.311% and are repayable by May 2030.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

12 CREDITORS (continued)

Provision for Liabilities	Group 30 June 2022 £'000	Company 30 June 2022 £'000	Group 31 March 2021 £'000	Company 31 March 2021 £'000
Dilapidations	152	152	-	-
Deferred tax liability	167	-	357	-
Total	319	152	357	-

The presentation of provisions per the Group Statement of Financial position has been corrected in the current year to present this as non-current. The comparatives have not been restated as the amount is immaterial

13 LOANS AND BORROWINGS

	Group 30 June 2022 £'000	Company 30 June 2022 £'000	Group 31 March 2021 £'000	Company 31 March 2021 £'000
Invoice finance facility	3,864	3,929	5,560	6,090

The Group invoice finance facility is secured by a fixed and floating charge over the assets of the Group and bears an interest rate of 1.75% plus base rate (2021: 0.75% plus base rate).

GROUP STATEMENT OF CHANGES IN NET DEBT

	As at 1st April 21	Cashflow	Acquired	Interest	As at June 22
Cash	5,262	(664)	600	-	5,198
Short Term Inter Company Loan	(1,415)	347	-	(22)	(1,090)
Long Term Inter Company Loan	(10,886)	2,325	-	(267)	(8,828)
Invoice Finance Facility	(5,560)	2,541	(845)	-	(3,864)
Directors Loan	-	1,450	(1,450)	-	-
Bank Loan	-	313	(313)	-	-
	(12,599)	6,312	(2,008)	(289)	(8,584)

14 DEFERRED TAX

	Group £'000	Company £'000
At 1 April 2021	357	-
Reversal of temporary differences	(190)	-
At 30 June 2022	167	-

	Group 30 June 2022 £'000	Company 30 June 2022 £'000	Group 31 March 2021 £'000	Company 31 March 2021 £'000
Analysis of deferred taxation:				
Deferred tax liability on customer lists	167	-	347	-
Deferred tax liability on capital allowances	-	-	10	-
	167	-	357	-

The deferred taxation liability for 2022 is presented within provisions (see note 12).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

14 DEFERRED TAX (continued)

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021. The deferred tax balance was provided at a rate of 19%. There was no material impact on the liability when calculating at the future realisation rate of 25% and so no additional provision has been made.

15 CALLED UP SHARE CAPITAL AND OTHER RESERVES

There are no restrictions on the distribution of dividends and the repayment of capital.

Group and company	30 June 2022 £'000	31 March 2021 £'000
Allotted, called up and fully paid		
2,400,000 A Ordinary Shares of £0.000001each	-	-
300,000 B Ordinary Shares of £0.000001 each	-	-
300,000 C Ordinary Shares of £0.000001 each	-	-
690,000 D Ordinary Shares of £0.000001 each	-	-

The share class and nominal value of each share was incorrectly stated in the prior year, showing 300 ordinary shares of 1p each. The statement above now shows the correct class and value.

Other reserves consist of the following amounts:

	Share option reserve £'000	Put and call option £'000	Non-controlling interest £'000
Balance as of 31 March 2021	556	(1,322)	962
Profit for the period	-	-	271
Exercise of put and call option	-	1,322	-
Revaluation	(397)	-	-
NCI	-	-	90
Put and call on Acquisition	-	(1,745)	-
Purchase of NCI	-	-	(858)
Balance as of 30 June 2022	159	(1,745)	465

Share option reserves relates to the total expenses arising from share-based payment transactions recognised within the group during the period as part of employee benefit expense.

Put and call option relates to the remaining share capital of Driving Force Recruitment Holdings Ltd.

Non-controlling interest relates to the equity not attributable to the group, due to not holding 100% of shares.

16 LEASING COMMITMENTS

Neither the Group nor Company had any capital commitments at 30 June 2022 (31 March 2021: £nil).

The Group had total future minimum leasing payments under non-cancellable operating leases are as follows:

Group	30 June 2022 £'000	31 March 2021 £'000
Within one year	513	508
Between two and five years	1,013	684
After more than five years	-	176
	1,526	1,368

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance, and repair costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

17 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available within Section 33, paragraph 33.7 of FRS 102 "Related Party Disclosures" that allows it not to disclose transactions with other wholly owned companies in the Gap Personnel Group Limited Group of companies.

Balances with related parties other than wholly owned subsidiaries are disclosed as follows:

Group	**Amount owed to related party**	
	30 June	**31 March**
Companies under common control (related undertakings)	**2022**	**2021**
	£'000	**£'000**
BeNext Yumeshin Group Co.	(9,339)	(12,182)
	(9,339)	(12,182)

Amounts owed to Group undertakings bear an interest rate of 2.311% and are repayable by May 2030.

Company	**Amount owed by/(to) related party**	
	30 June	**31 March**
Companies under common control (related undertakings)	**2022**	**2021**
	£'000	**£'000**
Driving Force Recruitment Limited	1,663	-
Global Personnel Group Limited	173	22
Gap Technical Limited	(33)	(405)
	1,803	(383)

The transactions with Driving Force Recruitment Limited is in relation to a loan that bears an interest rate of 2% and is repayable by July 2024.

Transactions in the year with Global Personnel Group Limited and Gap Technical Limited relate to the recharge of costs incurred by the company on their behalf. Total amounts recharged for the period totalled £249,673 and £490,715 respectively.

The amount owed to Gap Technical Limited at the period end relates to a short term loan of cash that did not bear any interest.

18 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

BeNext UK Holdings Limited owns 100% of the issued shares in Gap Personnel Holdings Limited.

BeNext Yumeshin Group Co is the largest company to present consolidated financial statements. Copies of the financial statements can be obtained from the registered office of this company - NBF Comodio Shiodome, 2-14-1 Higashi-shimbashi, Minato-ku, Tokyo 105-0021, Japan.

Gap Personnel Holdings Limited is the smallest group that prepares consolidated financial statements. Copies of the financial statements can be obtained from the registered office of this company – Pulford House, Bell meadow Business Park, Pulford, CH4 9EP.

BeNext Yumeshin Group Co was renamed to Open Up Group Inc as of the 1st January 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

19 SHARE BASED PAYMENT SCHEME

During the year to 31st March 2021, a Share Purchase scheme was introduced. A newly created class of shares in Gap Personnel Holdings Limited was issued to certain Senior Managers. The purpose of the Share Purchase scheme is to incentivise and reward management through the award of growth shares which will participate in a proportion of the increase in the value of the business in excess of a predetermined hurdle. The shares will have no value if the value of the business does not grow above the hurdle and have no voting or dividend rights.

These shares were valued at the date of issue and the persons issued with these shares were required to pay full market value for these shares, as determined by an acceptable professional valuer using the multiple of profits method.

Once sufficient growth has been achieved, value for these shares can be realised by either the shareholders or the company by exercising their rights to sell/buy the shares under a put and call option.. The scheme has been treated as equity-settled on the basis that the options are granted by the Company's parent and will not be settled by the Company.

On the basis of the aggregate unrestricted market value of the Incentive Share pool, the current acquisition cost by participants of the Incentive Shares for the class as whole will be £255,793 (2021: £255,793).

A reconciliation of share option movements over the period to 30 June 2022 is shown below:

	No. 000	Weighted Average Exercise Price (£)
Outstanding at 1 April 2020	720	0.36
Granted	-	-
Forfeited	-	-
Exercised	-	-
Outstanding at 1 April 2021	720	0.36
Granted	-	-
Forfeited	40	0.36
Exercised	-	-
Outstanding at 30 June 2022	680	0.36

Total expenses arising from share-based payment transactions recognised within the group during the period as part of employee benefit expense were a reduction of £397,294 (31 March 2021: £556,000). At the end of the financial period the company has accrued £158,706 (31 March 2021: £556,000) in relation to the share-based compensation scheme. The group is revaluing the potential value of the growth shares each year. The Valuation is evaluated by 3rd party every year. The accrual amount will be subject to change if valuation is materially fluctuated.

Total expenses arising from share-based payment transactions recognised within the company during the period as part of employee benefit expense were £94,727 (31 March 2021: £556,000). At the end of the financial period the company has accrued £650,727 (31 March 2021: £556,000) in relation to the share-based compensation scheme. The company is accruing for the potential end value of the scheme over a six year period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

20 BUSINESS COMBINATIONS

During the year, Gap Personnel Holdings Limited purchased 70% of the share capital of Driving Force Recruitment Holdings Ltd.

Whilst there is a put and call in place with regards to the remaining share capital, 100% of Driving Force Recruitment Holdings Ltd has been included in the consolidation due to having full control.

The put and call in place is exercisable by both the seller and the buyer, within six months of the 2024 statutory accounts being produced. The price at which it can be exercised is based on the valuation of the EBITDA at a multiple of 4.5, plus cash less debt and then adjusted for a normalised working capital.

The acquisition method of accounting has been used, and the date of acquisition was the 15th July 2021.

	£'000
Consideration – Initial	428
Total Consideration	428

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book values	**Adjustments**	**Fair Value**
	£'000	**£'000**	**£'000**
Cash and cash equivalents	600	-	600
Trade and other receivables	1,578	-	1,578
Trade and other payables	(403)	-	(403)
Loans payable	(2,608)	-	(2,608)
Total Identifiable Net Liabilities	**(833)**	-	**(833)**
Goodwill			**1,351**
Less non-controlling interest			**(90)**
Total			**428**

No fair values adjustments have been made on the acquisition of Driving Force Recruitment Holdings Ltd.

The goodwill has been assessed as having a useful life of 10 years.

The loan amount of £2,608k consists of the ID Facility amounting to £845,339, 2 Directors loans totalling £1,450,000 and a loan with Yorkshire bank amounting to £313,585.60 All amounts were settled on the 15th July 2021, with the exception of £113,585.60 of the Yorkshire Bank loan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 15 month period ending 30 June 2022

21 CONTINGENT LIABILTIES

As disclosed in note 10, some of the Company's subsidiaries have taken advantage of the exemption available under Section 479A of the Companies Act 2006 in respect of the requirement for an audit. As a condition of the exemption, the Company has guarantees the year-end liabilities of the relevant subsidiaries until they are settled in full. The liabilities of the subsidiaries at the period-end was £694,327