AMENDED

Company Registration No. SC370614 (Scotland)

THE SOCIAL CARE COMMUNITY PARTNERSHIP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

THE SOCIAL CARE COMMUNITY PARTNERSHIP LIMITED

COMPANY INFORMATION

Director	M O'Neill
Secretary	R Watson
Company number	SC370614
Registered office	Floor 3 Queens House 29 St Vincent Street Glasgow United Kingdom G1 2DT
Auditor	Azets Audit Services Titanium 1 Kings Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF

THE SOCIAL CARE COMMUNITY PARTNERSHIP LIMITED

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THE SOCIAL CARE COMMUNITY PARTNERSHIP LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MAY 2021

The director presents his annual report and financial statements for the year ended 31 May 2021.

Principal activities
The principal activity during the period was to deliver the provision of social and healthcare personnel directly and indirectly through national framework agreements to local authorities.

Business review

During this financial year The Social Care Community Partnership, like so many healthcare businesses, has had a year of fierce challenges. Our core business continued to supply experienced personnel to private care providers, the NHS and local authorities as a supplier of choice either directly or through national frameworks.

Our primary focus has been on supporting our frontline healthcare staff and clients through the COVID 19 pandemic, whilst ensuring we deliver the safest, secure and most robust service possible in line with ever changing guidelines. We supported clients throughout the period by going against industry trend and opted to freeze our charge rates even though our own costs and administrative burden increased rapidly. We supported frontline healthcare staff by increasing pay rates further reducing our own margins.

As a result of this focus, we knowingly accepted less profit generation than in previous years but in doing so we continued to maintain strong corporate social responsibility throughout while conducting the company in line with our values of fair trade. The company is fortunate to have survived the worst of this pandemic with no loss of life and no job losses. For our team, this has been the reward sought for an extremely difficult year, and something we are proud to have achieved together.

The company's financial key performance indicators took a back seat during the year in order we could prioritise the very real, and at times extremely sad, human cost of the pandemic. Absence due to illness and isolation continues to be a challenge for our sector, even at the date of signing.

Our KPIs for 2020-21 are as follows:

• Turnover £6.2m (2020: £8.0m)	Decrease of 23%
• Gross Profit £1.3m (2020: £1.8m)	Decrease of 28%
• EBITDA £97k (2020: £399k)	Decrease of 76%
• Hours delivered 217,727 (2020: 284,494)	Decrease of 23%

Staff remain our most important asset and we continue to re-invest in improving the working experience for their benefit.

We strive to put the safety of our staff at the forefront of all aspects of our response to the pandemic and have retained extra staff to assist with the co-ordination of vaccine passports, track and trace and weekly testing.

Our service diversification activities ensure we remain a robust and reliable organisation in terms of financial health and ability to deliver exceptionally high standards of service.

Social responsibility to our clients remains at the fore of our values as the sector continues to be hampered by severe financial burdens and for the eighth consecutive year we have maintained our margins. We work closely with our clients to demonstrate we are a sustainable business whilst offering very good value.

Our ongoing investment in quality standards and customer satisfaction continues to cement our client partnerships. We command high standards of quality with grade 5's in all areas from the care inspectorate and hold the highest grades ever awarded in Scotland to an agency from ISO.

The company remains in a strong financial position and we can foresee a return to somewhat normal trading on the horizon, perhaps before the end of our 2021-22 financial year.

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

Director
The director who held office during the year and up to the date of signature of the financial statements was as follows:

M O'Neill

Auditor
The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

M O'Neill
Director

14 February 2022

THE SOCIAL CARE COMMUNITY PARTNERSHIP LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2021

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SOCIAL CARE COMMUNITY PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of The Social Care Community Partnership Limited (the 'company') for the year ended 31 May 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of director
As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Greig McKnight (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Date: 15/2/2022

Chartered Accountants
Statutory Auditor

Titanium 1
Kings Inch Place
Renfrew
Renfrewshire
United Kingdom
PA4 8WF

THE SOCIAL CARE COMMUNITY PARTNERSHIP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2021

	2021	2020
	£	£
Turnover	6,188,536	8,021,928
Cost of sales	(4,894,671)	(6,196,761)
Gross profit	1,293,865	1,825,167
Administrative expenses	(1,282,694)	(1,449,539)
Other operating income	74,264	9,253
Operating profit	85,435	384,881
Interest receivable and similar income	-	30
Interest payable and similar expenses	(8,755)	(10,348)
Profit before taxation	76,680	374,563
Tax on profit	(15,544)	(65,980)
Profit for the financial year	61,136	308,583

THE SOCIAL CARE COMMUNITY PARTNERSHIP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2021

	2021 £	2020 £
Profit for the year	61,136	308,583
Other comprehensive income	-	-
Total comprehensive income for the year	61,136	308,583

THE SOCIAL CARE COMMUNITY PARTNERSHIP LIMITED

BALANCE SHEET

AS AT 31 MAY 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		4,681		6,628
Tangible assets	4		24,679		32,751
Investments	5		100		100
			29,460		39,479
Current assets					
Debtors	6	1,361,856		1,618,285	
Cash at bank and in hand		134,266		435,041	
		1,496,122		2,053,326	
Creditors: amounts falling due within one year	7	(479,908)		(955,757)	
Net current assets			1,016,214		1,097,569
Total assets less current liabilities			1,045,674		1,137,048
Provisions for liabilities			(4,320)		(6,830)
Net assets			1,041,354		1,130,218
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			1,041,254		1,130,118
Total equity			1,041,354		1,130,218

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 14 February 2022

M O'Neill

M O'Neill
Director

Company Registration No. SC370614

THE SOCIAL CARE COMMUNITY PARTNERSHIP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2021

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 June 2019		100	921,535	921,635
Year ended 31 May 2020:				
Profit and total comprehensive income for the year		-	308,583	308,583
Dividends		-	(100,000)	(100,000)
Balance at 31 May 2020		100	1,130,118	1,130,218
Year ended 31 May 2021:				
Profit and total comprehensive income for the year		-	61,136	61,136
Dividends		-	(150,000)	(150,000)
Balance at 31 May 2021		100	1,041,254	1,041,354

1 Accounting policies

Company information

The Social Care Community Partnership Limited is a private company limited by shares incorporated in Scotland. The registered office is Floor 3, Queens House, 29 St Vincent Street, Glasgow, United Kingdom, G1 2DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company is a member of the Compello Staffing Group Limited and is party to the group invoice receivable as set out in note 9.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This includes support to this company from the group in which it is part of, to ensure it has sufficient headroom to meet any additional forecast cash requirements that would be contingent on a downturn in relation to the COVID-19 pandemic.

Following the global outbreak of the COVID-19 virus in 2020, the company remains exposed to risks and uncertainties associated with a fall in revenue due to continued uncertain general economic activity throughout the UK.

Although it is not yet possible to reliably forecast the long term impact of the COVID-19 pandemic, the directors regularly undertake a review of the business risks and monitor its cash flow requirements closely. Despite these identified risks, the group in which this entity is a subsidiary is profitable and cash generative post year end.

The current and future financial position of the group, its cash flows and liquidity position has been reviewed by the directors. Following this review, the directors are confident that the existing funding facilities will provide sufficient headroom to meet the forecast cash requirements having considered any additional requirement in relation to the risks noted above. As such, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover represents amounts receivable for both permanent and temporary placements. Revenue from permanent placements is recognised as per individual client terms of engagement while revenue from temporary placements is recognised as the service is provided.

1 Accounting policies **(Continued)**

1.4 Intangible fixed assets other than goodwill

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

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

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

Software	5 years straight line

1.5 Tangible fixed assets

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

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

Leasehold land and buildings	10 years straight line or life of lease if shorter
Plant and equipment	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

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

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

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

	2021 Number	2020 Number
Total	23	24

3 Intangible fixed assets

	Other
	£
Cost	
At 1 June 2020 and 31 May 2021	38,993
Amortisation and impairment	
At 1 June 2020	32,365
Amortisation charged for the year	1,947
At 31 May 2021	34,312
Carrying amount	
At 31 May 2021	4,681
At 31 May 2020	6,628

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 June 2020	12,845	74,485	87,330
Additions	-	1,997	1,997
At 31 May 2021	12,845	76,482	89,327
Depreciation and impairment			
At 1 June 2020	4,995	49,584	54,579
Depreciation charged in the year	1,284	8,785	10,069
At 31 May 2021	6,279	58,369	64,648
Carrying amount			
At 31 May 2021	6,566	18,113	24,679
At 31 May 2020	7,850	24,901	32,751

5 Fixed asset investments

	2021	2020
	£	£
Shares in group undertakings and participating interests	100	100

6 Debtors

	2021	2020
Amounts falling due within one year:	**£**	**£**
Trade debtors	720,191	719,374
Amounts owed by group undertakings	571,932	769,363
Other debtors	69,733	129,548
	1,361,856	1,618,285

7 Creditors: amounts falling due within one year

	2021	2020
	£	**£**
Trade creditors	18,276	16,757
Amounts owed to group undertakings	3,914	100
Corporation tax	19,533	95,653
Other taxation and social security	199,475	601,753
Other creditors	238,710	241,494
	479,908	955,757

8 Called up share capital

	2021	2020	2021	2020
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary A Shares of £1 each	100	100	100	100

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

9 Financial commitments, guarantees and contingent liabilities

The company, along with all other UK registered undertakings forming part of the Compello Staffing Group Limited Group have provided cross guarantees in respect of bank funding. The company's obligations under the cross guarantee are supported by floating charges over the company's assets.

10 Operating lease commitments

Lessee

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

	2021	2020
	£	**£**
	8,930	30,411

11 Related party transactions

Transactions with related parties
During the year the company entered into the following transactions with related parties:

	Recharged costs from	
	2021	2020
	£	£
Other related parties	297,148	313,157

	2021	2020
Amounts due to related parties	£	£
Entities over which the entity has control, joint control or significant influence	100	100
Other related parties	3,814	-

The amounts outstanding are unsecured, interest-free and are repayable on demand.

The following amounts were outstanding at the reporting end date:

	2021	2020
Amounts due from related parties	£	£
Other related parties	571,932	769,363

The amounts outstanding are unsecured, interest-free and are repayable on demand.

12 Directors' transactions

Dividends totalling £30,000 (2020 - £20,000) were paid in the year in respect of shares held by the company's directors.

13 Parent company

The company is a subsidiary undertaking of Compello Staffing Group Limited which is the ultimate parent company, registered in Scotland.

The company is controlled by Mr John Hailstone by virtue of his majority shareholding in Compello Staffing Group Limited.

The largest and smallest group in which the results of the company are consolidated is that headed by Compello Staffing Group Limited.