

PRIME STAFF NORTH WEST LTD

AUDITED
FINANCIAL STATEMENTS

30 APRIL 2019



ArmstrongWatson[®]
Accountants, Business & Financial Advisers

PRIME STAFF NORTH WEST LTD

COMPANY INFORMATION

Directors	A M Vezza M Docherty D B McIntyre (resigned 25 May 2018)
Registered number	SC495101
Registered office	21 Blythswood Square Glasgow G2 4BL
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants 1st Floor 24 Blythswood Square Glasgow G2 4BG
Solicitors	Miller Samuel Hill Brown LLP 5 Renfield Street Glasgow G2 5EZ

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2019**

The directors present their report and the financial statements for the year ended 30 April 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

Directors

The directors who served during the year were:

A M Vezza
M Docherty
D B McIntyre (resigned 25 May 2018)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

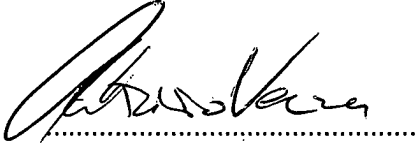
Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

PRIME STAFF NORTH WEST LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019**

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'A M Vezza', written over a dotted line.

A M Vezza
Director

Date: 15/4/19

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRIME STAFF NORTH WEST LTD

Opinion

We have audited the financial statements of Prime Staff North West Ltd (the 'Company') for the year ended 30 April 2019, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRIME STAFF NORTH WEST LTD
(CONTINUED)**

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRIME STAFF NORTH WEST LTD
(CONTINUED)**

Use of our report

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



Simon Turner (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants

Glasgow

Date: 15/11/19

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 APRIL 2019**

	Note	2019 £	2018 £
Turnover		3,758,048	1,824,104
Cost of sales		(3,253,729)	(1,588,311)
Gross profit		504,319	235,793
Administrative expenses		(452,690)	(232,670)
Operating profit		51,629	3,123
Interest payable and expenses		(13,233)	(7,112)
Profit/(loss) before tax		38,396	(3,989)
Tax on profit/(loss)	5	(7,460)	-
Profit/(loss) after tax		30,936	(3,989)
Retained earnings at the beginning of the year		(3,989)	-
		(3,989)	-
Profit/(loss) for the year		30,936	(3,989)
Retained earnings at the end of the year		26,947	(3,989)

The notes on pages 8 to 14 form part of these financial statements.

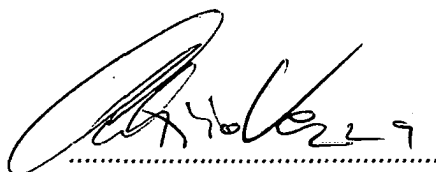
PRIME STAFF NORTH WEST LTD
REGISTERED NUMBER: SC495101

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	6	14,885	16,539
		<u>14,885</u>	<u>16,539</u>
Current assets			
Debtors: amounts falling due after more than one year	7	-	55,806
Debtors: amounts falling due within one year	7	277,098	346,545
Cash at bank and in hand	8	1,507	903
		<u>278,605</u>	<u>403,254</u>
Creditors: amounts falling due within one year	9	(266,443)	(423,682)
Net current assets/(liabilities)		<u>12,162</u>	<u>(20,428)</u>
Total assets less current liabilities		<u>27,047</u>	<u>(3,889)</u>
Net assets/(liabilities)		<u>27,047</u>	<u>(3,889)</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		26,947	(3,989)
		<u>27,047</u>	<u>(3,889)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



A M Vezza
Director

The notes on pages 8 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

1. General information

Prime Staff North West Limited is a private company, limited by shares, registered in the United Kingdom. The company's registration number is SC495101 and registered office address is 21 Blythswood Square, Glasgow, G2 4BL.

The principal activity of the company in the year under review was that of an employment agency.

These financial statements have been presented in pound sterling, rounded to the nearest pound, as this is the currency of the primary economic environment in which the company operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Significant judgements and estimates

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the Companies Accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, are disclosed below:

Recoverability of Debtors

The Company assess the recoverability of Debtors on an individual basis, taking into consideration payment history, and perceived liquidity. Where it is considered that there is a higher than normal risk to the recoverability of these, a provision is made against the recoverability of these debts.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Prime Staff Group Limited as at 30 April 2018 and these financial statements may be obtained from Companies House.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

2. Accounting policies (continued)

2.4 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.7 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

2. Accounting policies (continued)

2.9 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

Amortisation is provided over the following basis:

Goodwill	-	10% on cost
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2.10 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

2. Accounting policies (continued)

2.14 Financial instruments (continued)

rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 9 (2018 - 8).

4. Directors remuneration

The directors who served during the year were remunerated by other companies in the group headed by Prime Staff Solutions Limited. It is impractical to allocate that remuneration on the basis of services to individual companies within the group.

5. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	7,460	-
	<u>7,460</u>	<u>-</u>
Total current tax	<u><u>7,460</u></u>	<u><u>-</u></u>

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2018 - 19%).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

6. Intangible assets

	Goodwill £
Cost	
At 1 May 2018	16,539
At 30 April 2019	16,539
Amortisation	
Charge for the year	1,654
At 30 April 2019	1,654
Net book value	
At 30 April 2019	14,885
At 30 April 2018	16,539

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

7. Debtors

	2019 £	2018 £
Due after more than one year		
Amounts owed by group undertakings	-	55,806
	<u>-</u>	<u>55,806</u>

Interest on amounts owed by group undertakings were charged at an annual rate of 4% in the prior year.

	2019 £	2018 £
Due within one year		
Trade debtors	215,030	345,401
Amounts owed by group undertakings	44,236	-
Other debtors	100	-
Prepayments and accrued income	17,732	1,144
	<u>277,098</u>	<u>346,545</u>

Amounts owed by group undertakings are repayable on demand.

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,507	903
	<u>1,507</u>	<u>903</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	3,398	1,342
Corporation tax	7,460	-
Other taxation and social security	29,640	102,518
Other creditors	192,996	295,082
Accruals and deferred income	32,949	24,740
	<u>266,443</u>	<u>423,682</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

10. Secured creditors

A factor creditor of £178,283 (2018: £268,476) is included as a secured debt within other creditors.

Bibby Factors Scotland Limited, a factor creditor, holds a floating charge over the undertaking and all property of Prime Staff North West Limited. This charge also contains a negative pledge.

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100 (2018 - 100) Ordinary shares of £1.00 each	100	100

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £20,485 (2018 - £3,304). Contributions totalling £766 (2018 - £2,384) were payable to the fund at the reporting date and are included in creditors.

13. Commitments under operating leases

At 30 April 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	30,992	5,100
Later than 1 year and not later than 5 years	19,122	8,925
	50,114	14,025

14. Controlling party

The company is a wholly owned subsidiary of Prime Staff Group Limited which is itself a wholly owned subsidiary of Prime Staff Solutions Limited, the ultimate parent company, incorporated in Scotland. There is no ultimate controlling party of Prime Staff Solutions Limited.

The registered office of Prime Staff Solutions Limited is 21 Blythswood Square, Glasgow, G2 4BL.