Company Registration No 03589208

GAP PERSONNEL HOLDINGS LIMITED

Annual Report and Financial Statements
For the year ended 31st March 2021

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2021

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr D S M Roberts
Mr Y Kamata
Mr Y Nishida (resigned 1 April 2020)
Mr G P Dewhurst (resigned 1 April 2020)
Mr S Toyama
Mr G Cottom (appointed 5 July 2021)
Mr M Hull (appointed 5 July 2021)
Mr A Loveday (appointed 5 July 2021)
Ms N Thomas (appointed 5 July 2021)
Mr R Thorne (appointed 5 July 2021)

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
1 Hardman Square
Manchester
M3 3EB

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report and the audited annual report and financial statements of the Group for the year ended 31st March 2021.

gap Personnel Holdings Limited, 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, multi lingual, management and executive.

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

- gap Personnel
- gap OnSite
- Hawk 3
- gap Technical
- Kerr Multilingual Recruitment
- gap Healthcare
- Global Personnel Limited

Financial Highlights

Key highlights are:

	For the year ended 31/03/2021 £000	For the year ended 31/03/2020 £000
Turnover	180,120	183,493
Gross Profit	18,225	22,209
Gross Profit %	10.1%	12.1%
EBITDA	5,014	3,583
Depreciation & Amortisation (note 5)	1,607	1,371
Operating Profit	3,407	2,212

Given EBITDA is regarded as a non-GAAP measure, the Directors have included a reconciliation from operating profit of £3.407m adding back £1.607m of depreciation and amortization to achieve EBITDA of £5.014m. This can be seen in the working above.

Operational Highlights

The operational plan was impacted during the year 2020/21 by the COVID-19 pandemic. We saw revenues impacted as customers faced reduced demand along with shortages in raw materials. However, this reduced demand was not across all customers. We did see increased levels of demand from customers in the FMCG divisions. Our direct costs also increased due to large numbers of statutory sick pay claims (unrecoverable due to the size of gap Personnel as an employer) for those individuals that were required to self-isolate with early symptoms of COVID-19.

- Revenues grew across FMCG sectors, with demand remaining high for labour across the country in sectors such as food processing & packing.
- Restructure of the gap Professional brand, with 4 key HUB locations across the UK all of which made a positive contribution to our gross profit.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Operational Highlights (Continued)

- To prepare for future market requirements gap Personnel invested and opened a new National Resource Centre, which has delivered high volumes of candidates nationally to support our peak periods and will allow us to further support customers with recruitment on a 24/7 basis.
- 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.

During the year, the Group have maintained a clear strategy around 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 driving the benefits from the Quattro acquisition.

Other notable Investments include:

- The successful launch of a candidate interface which allows fast and simple access for candidates to upload their details as part of our remote application process. Further investment is planned for the coming 12 months, to ensure a simple onboarding process whilst maintaining our commitment to compliance and candidate care.
- Continued expansion of our Technical Division, the brand now operates nationally with a large portfolio of Blue-Chip customers.
- Our Central Sales team have delivered £1.2m of gross margin across their New Business wins during the year, we have invested further for the mid term with a number of highly respected individuals joining our New Business team. Our approach is very much focused around providing our customers, and prospect customers, with a sole recruitment partner that is experienced to manage both blue and white collar recruitment.
- IT investment – we have invested heavily in our IT infrastructure, both moving to a new hosting partner and also integrating the entire Group so that all blue collar locations are operating a single CRM solution. This has allowed us to achieve significant efficiencies, and is also driving a significant improvement in our candidate attraction strategy.

Review of the Business and Future Developments

The Group has continued to grow its client base, and this is reflected in the increase in the sales performance for Q3 & Q4 of the year.

This performance has attributed to the following strategic priorities being delivered against:

- Real time KPI measures monitoring business performance
- 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
- More than 700 new business conversions for the year, and our active client base doubled in the 12 months from April 2020 – March 2021

gap Personnel have focused on growing our presence across our existing customer base, and this has seen an improvement in the market share at each customer, and has also seen significant growth for our Professional & Technical divisions.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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.

- National sales Team delivering over £1.2m of Gross Profit
- In excess of 700 new business conversions in the year
- DSO average of 46 days

The Group doesn't currently use non-financial KPIs to monitor performance, but there are plans to develop these moving forward.

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 2020/21 bad debts represented only 0.00% of annual turnover (2019/20: 0.03%). 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.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group are:

Competitive risk
The Group is reliant on certain customers for contracts which are subject to periodic tender. Renewal of these contracts is uncertain and based on financial and performance criteria. Competitive pressure in the UK is reducing margins across the industry. 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 in a highly competitive market.

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.

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, clients and trade bodies. All new legislative developments are closely monitored, and the Group has its own Compliance Team which conducts regular reviews to ensure compliance with existing legislation in order to minimise legislative risk.

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.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Principle Risks and Uncertainties (Continued)

Brexit

The Group continues to monitor the national political environment and in particular the exit from the European Union. Despite widespread concerns around 'Brexit' we have continued to see the demand for labour remain strong. This has led to the labour market constricting considerably across our operations. Despite this, we have worked alongside our valued customers to build and deliver recruitment and retention plans on a proactive basis.

Technology investments, along with a large internal marketing and PR team ensures that our candidate attraction strategies lead Job search boards, and that we continue to maximise our candidate attraction across the UK. We accept that as the market contracts further, we will need to invest more heavily in advertising and attraction, we have sought to rationalize costs elsewhere in the Group to ensure that we can protect our underlying results, whilst providing our recruitment teams with a flexible resourcing budget.

As a result of this the Group has delivered all customer requirements, and performance has exceeded customer requirement during the year.

COVID 19

As noted earlier in the report we did see an impact from COVID-19 in the weeks before the end of the financial year. We undertook a series of initiatives:

- Initially closed our branch network and Head Office and introduced home working which has taken place seamlessly and enabled the business to continue to trade effectively. The investment in new front and back office systems in the last two years enabled this transition to take place smoothly. The branch network reopened in July.
- Utilised the Government Furlough scheme and VAT deferment.
- Revised the financial plan for the current financial year and prepared detailed cashflows through to December 2021.
- Obtained an additional loan of £7.7m from our parent BeNext Inc as part of our contingency planning.
- All companies in the Group have continued to trade throughout this year.

Cashflow has remained strong since year end with our customers continuing to pay to terms.

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 year. 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.

The Board recognises the potential impact the inherent uncertainty surrounding the terms on which the UK will exit the European Union and is planning accordingly.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Section 172(1) Statement (continued)

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.

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.

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 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.

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.

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 31 January 2022 and signed on its behalf by:

Mr G Cottom
Director

DIRECTORS' REPORT

The directors present the strategic report and the audited annual report and financial statements of the Group for the year ended 31st March 2021.

PRINCIPAL ACTIVITIES

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, 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, multi lingual, 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 page 2-7.

GOING CONCERN

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

We have commented on COVID-19 actions undertaken within the strategic report on pages 2-7.

The Group's forecasts were revisited in April and reset, taking a prudent view of trading activity for the current financial year and through to March 2023. These show that the Group will be able to operate profitably and within the level of its current invoice discounting facility. Our parent company has provided a cash injection of £7.7m in May 2020 to provide an additional cash buffer.

We undertook some stress testing. The most extreme of these was to use our actual sales from April 2020 (the month most impacted by COVID-19), for every month to March 2023. Whilst this impacted our cash available, we still had significant cash available at March 2023.

Current trading is ahead of the forecast and we have seen week on week improvement in sales levels since December.

The directors therefore have a reasonable expectation that the Company and the Group 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.

In addition to the above, the Company is an active member of the grouped invoice finance facility with Lloyds Bank Plc. The facility has been signed and entered into by BeNext UK Holdings Limited in which the Company is named as a borrower. 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 .In order to ensure the appropriate support is provided through the facility, the Company has received a letter of support BeNext UK Holdings Limited confirming its intent to provide financial support if required for at least 12 months from the date of signing of these financial statements.

RESULTS AND DIVIDENDS

The results for the year ended 31st March 2021 are shown on page 15.

The Group generated revenues of £180,120,000 (2020:£183,493,000) and generated profit after tax of £2,330,000 (2020: £1,166,000). The Group had net assets of £4,993,000 (2020: £2,107,000).

No dividends were paid during the year (2020: Nil).

DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Mr D S M Roberts
Mr Y Kamata
Mr Y Nishida (resigned 1 April 2020)
Mr G P Dewhurst (resigned 1 April 2020)
Mr S Toyama
Mr G Cottom (appointed 5 July 2021)
Mr M Hull (appointed 5 July 2021)
Mr A Loveday (appointed 5 July 2021)
Ms N Thomas (appointed 5 July 2021)
Mr R Thorne (appointed 5 July 2021)

DIRECTORS' REPORT (continued)

POST BALANCE SHEET EVENTS

In July 2021, gap Personnel Holdings Limited purchased 70% of shares in Driving Force Recruitment Holdings Ltd, meaning that they now also own 63% of shares in DFR Holdings Ltd and 50.4% in Driving Force Recruitment Ltd. The addition of this driving supply division will improve our sole recruitment partner offering.

On 5 May 2021, Gap Construction Limited was incorporated. It was subsequently renamed to Gap Personnel (Telford) Limited, with 85% of shares being held by Gap Personnel Holdings Limited. At the date of signing these financial statements, the entity has yet to begin trading. The intention is for the company to become a specialist provider of both temporary and permanent recruitment solutions within the Telford and surrounding area.

GROWTH SHARE SCHEME

A scheme under which shares may be issued by the company to employees 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 incentivize and reward management by way of a potential capital gain in the region of £1.625 million, linked to the growth in value of Subco, 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 plan to participating employees on 31st March 2021 was 720,000 D Ordinary shares of £0.000001 each, representing 19.35483871% of the total share capital.

FUTURE DEVELOPMENTS

Future developments are disclosed in the strategic report on page 3.

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 year to the date of signing these financial statements.

PEOPLE

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

- Online corporate induction.
- 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 (3 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.

POLITICAL DONATIONS

No political donations were paid during the year (2020:£ 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.

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 in 2019 we 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. 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)

Gap Personnel Holdings Limited is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions 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 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 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. 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 our fleet of company cars.

Breakdown of energy consumption (kWh):

	2020/21	2019/20
Energy consumption used to calculate emissions (kWh):		
Gas (scope 1)	14,138	12,785
Electricity (scope 2)	209,011	354,650
Company Vehicles (scope 3)	81,678	382,120
Total kWh	304,827	749,555

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

Scope 1:		
Emissions from combustion of natural gas	3	5
Total Scope 1	**3**	**5**
Scope 2:		
Emissions from purchased electricity	53	91
Total Scope 2	**53**	**91**
Scope 3:		
Emissions from company owned vehicles	20	109
Total Scope 3	**20**	**109**
Total gross CO_2e	**76**	**205**

Energy Efficiency Improvements & Carbon Reduction Initiatives

It is part of the Groups agenda moving forward to increase the energy efficiencies. The Group has been working remotely for the major part of FY21 as a result of COVID-19. There are further considerations being made by the Directors as to whether any experiences such as meetings performed by video call or working remotely could be implemented more going forward to continue these efficiencies.

Another initiative taken by the Group is the leasing of 4 electric company cars, to replace petrol/diesel cars. As company car leases come to the end of the term, we expect this number to increase to continue these efficiencies.

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.

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

Mr G Cottom
Director
31 January 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

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 group's and 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 group's and company's auditors are aware of that information.

Mr G Cottom
Director
31 January 2022

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 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared 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); 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 31 March 2021; the Group Income Statement and the Group and Company Statements of Changes in Equity for the year 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

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.

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

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 year ended 31 March 2021 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 Directors' Responsibilities Statement, 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 UK tax legislation, 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 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

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

were related to fraudulent journal entries, designed to manipulate the financial performance and/or position reporting of the company and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inquired with management in respect of potential instances of non-compliance with laws and regulations;
- obtained detailed listings of legal expenses and scanned the listings for undisclosed legal claims;
- inquired with management whether there were any instances of fraud during the year;
- testing journal entries meeting specific risk criteria, testing accounting estimates for indication of management bias, and evaluating the business rationale of any significant transactions outside the normal course of business;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- reviewing financial statement disclosures and testing to supporting documentation.

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.

Kevin MacAllister (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
31 January 2022

GROUP INCOME STATEMENT
For the Year Ended 31 March 2021

	Note	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
TURNOVER	4	180,120	183,493
Cost of sales		(161,895)	(161,284)
GROSS PROFIT		18,225	22,209
Administrative expenses		(17,289)	(19,997)
Other operating income		2,471	-
OPERATING PROFIT	5	3,407	2,212
Interest receivable and similar expenses		119	-
Interest payable and similar expenses	6	(508)	(587)
PROFIT BEFORE TAXATION		3.018	1,625
Tax on profit	7	(688)	(459)
PROFIT FOR THE FINANCIAL YEAR		2,330	1,166
Profit for the financial year attributable to:			
Owners of the parent company		2,125	795
Non-controlling interest		205	371
		2,330	1,166

There has been no other comprehensive income attributable to the shareholders other than the profit for the current year and preceding financial year as shown above (2020: £nil).

The accompanying notes on pages 19 to 38 form an integral part of these financial statements

All amounts related to continuing operations.

GROUP STATEMENT OF FINANCIAL POSITION
As at 31 March 2021

	Note	31 March 2021 £'000	31 March 2020 £'000
FIXED ASSETS			
Intangible assets	8	5,024	6,238
Property, plant and equipment	9	887	923
		5,911	7,161
CURRENT ASSETS			
Debtors	11	28,276	23,763
Cash at bank and in hand		5,262	2,788
		33,538	26,551
CREDITORS: amounts falling due within one year	12	(23,213)	(27,941)
Provision for liability		(357)	(461)
NET CURRENT ASSETS / (LIABILITIES)		9,968	(1,851)
TOTAL ASSETS LESS CURRENT LIABILITIES		15,879	5,310
CREDITORS: amounts falling due after more than one year	12	(10,886)	(3,203)
NET ASSETS		4,993	2,107
CAPITAL AND RESERVES			
Called up share capital	14	-	-
Profit and loss account		4,797	3,504
Share premium account		556	-
Non-controlling interest on put and call option		(1,322)	(3,203)
Non-controlling interest		962	1,806
TOTAL SHAREHOLDERS' FUNDS		4,993	2,107

The accompanying notes on pages 19 to 38 form an integral part of these financial statements.

The financial statements on pages 15 to 38 were approved by the Board of Directors on 31 January 2022 and signed on its behalf by:

Mr G Cottom
Director

Registered number: 03589208

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 March 2021

	Note	31 March 2021 £'000	31 March 2020 £'000
FIXED ASSETS			
Intangible assets	8	62	68
Property, plant and equipment	9	639	829
Investments	10	10,336	8,456
		11,037	9,353
CURRENT ASSETS			
Debtors	11	23,446	18,717
Cash at bank and in hand		2,202	2,404
		25,648	21,121
CREDITORS: amounts falling due within one year	12	(21,105)	(27,893)
NET CURRENTASSETS / (LIABILITIES)		4,543	(6,772)
TOTAL ASSETS LESS CURRENT LIABILITIES		15,580	2,581
CREDITORS: amounts falling due after more than one year	12	(10,886)	-
NET ASSETS		4,694	2,581
CAPITAL AND RESERVES			
Called up share capital	14	-	-
Profit and loss account		4,138	2,581
Share premium		556	-
TOTAL SHAREHOLDERS' FUNDS		4,694	2,581

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 year was a profit of £1,571,000 (2020: profit of £239,000).

The accompanying notes on pages 19 to 38 form an integral part of these financial statements.

The financial statements on pages 15 to 38 were approved by the Board of Directors on 31 January 2022 and signed on its behalf by:

Mr G Cottom
Director

Registered number: 03589208

GROUP STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2021

	Called up share capital £'000	Profit and loss account £'000	Growth share scheme £'000	Non-controlling interest on put and call option £'000	Non-controlling interest £'000	Total Shareholders' Funds £'000
Balance as of 1 April 2019	-	2,709	-	(2,253)	1,435	1,891
Profit for the year	-	795	-	—	371	1,166
Remeasurement to put and call option value	-	-	-	(950)	-	(950)
Balance as of 31 March 2020	-	**3,504**	-	**(3,203)**	**1,806**	**2,107**
Profit for the year	-	2,125	-	-	205	2,330
Exercise of put and call option	-	(1,881)	-	1,881	-	
Purchase shares	-	1,049	-	-	(1,049)	-
Share issued	-	-	556	-	-	556
Balance as of 31 March 2021	-	4,797	556	(1,322)	962	4,993

COMPANY STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2021

	Called up share capital £'000	Profit and loss account £'000	Growth share scheme £'000	Total Shareholders' Funds £'000
Balance as of 1 April 2019	-	2,342	-	2,342
Profit for the year	-	239	-	239
Balance as of 31 March 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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2021

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 financial statements have been prepared in accordance with FRS 102. There were no material departures from that standard.

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

The Group's forecasts were revisited in April and reset, taking a prudent view of trading activity for the current financial year and through to March 2023. These show that the Group will be able to operate profitably and within the level of its current invoice discounting facility. Our parent company has provided a cash injection of £7.7m in May 2020 to provide an additional cash buffer.

We undertook some stress testing. The most extreme of these was to use our actual sales from April 2020 (the month most impacted by COVID-19), for every month to March 2023. Whilst this impacted our cash available, we still had significant cash available at March 2023.

Current trading is ahead of the forecast and we have seen week on week improvement in sales levels since May.

The directors therefore have a reasonable expectation that the Company and the Group 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.

In addition to the above, the Company is an active member of the grouped invoice finance facility with Lloyds Bank Plc. The facility has been signed and entered into by BeNext UK Holdings Limited in which the Company is named as a borrower. 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 .In order to ensure the appropriate support is provided through the facility, the Company has received a letter of support BeNext UK Holdings Limited confirming its intent to provide financial support if required for at least 12 months from the date of signing of these financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows qualifying entities to take certain exemptions. gap Personnel Holdings Limited consolidates the results of several subsidiaries. The Group is deemed a qualifying entity under FRS 102 and is eligible to take certain exemptions given its results are consolidated by its ultimate parent BeNext Group UK Holdings Limited. The Group has taken advantage of an exemption from the requirement to prepare:

- A statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cashflows, including the cashflow of gap personnel holdings limited is presented with the Parent company's statement of cash flows.
- 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

2. ACCOUNTING POLICIES (CONTINUED)

Consolidation and results

The Group consolidated financial statements include the financial statements of the company and all its subsidiary undertakings together with the Group's share of the results of associates made up to 31 March.

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 year 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

2. ACCOUNTING POLICIES (CONTINUED)

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.

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 year.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

2. ACCOUNTING POLICIES (CONTINUED)

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.

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

Cash-settled share options are measured at fair value at the balance sheet date. The group recognises a liability at the balance sheet date based on these fair values, taking into account the estimated number of options that will actually vest and the current proportion of the vesting period which is calculated on a straight-line basis. Changes in the value of this liability are recognised in the income statement.

The group has no equity-settled arrangements.

Basic financial assets

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

2. ACCOUNTING POLICIES (CONTINUED)

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.

Put and call option

The group has written put options over the equity of its Quattro Group 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 75% 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 COVID-19 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 FY21-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 up and down in the discount rate by 3%, movements up and down in the growth rate by 3% as well as increases by £1m to the overheads in FY21. Based on the sensitivity analysis performed there still exists sufficient headroom.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Wages and salaries

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

	Group		Company	
	Year ended 31 March 2021 Number	Year ended 31 March 2020 Number	Year ended 31 March 2021 Number	Year ended 31 March 2020 Number
Sales	252	274	189	221
Administration	44	51	36	40
	296	325	225	261

Their aggregate remuneration comprised:

	Group		Company	
	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Wages and salaries	9,097	10,473	6,615	7,297
Social security costs	1,417	1,579	697	780
Other Pension costs	209	222	145	139
	10,723	12,274	7,457	8,216

Directors' remuneration

The aggregate directors' remuneration comprised:

	For the Year ended 31 March 2021 £'000	For the Year ended 31 March 2020 £'000
Wages and salaries	210	175
Social security costs	28	21
Pension costs	2	7
	240	203

The highest paid directors' remuneration comprised:

	For the Year ended 31 March 2021 £'000	For the Year ended 31 March 2020 £'000
Wages and salaries	210	175
Social security costs	28	21
Pension costs	2	7
	240	203

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

Only one director was remunerated by the company during the year ended 31st March 2021. All other directors are remunerated by the overall parent company BeNext Group Inc. This is reasonable on the grounds that their day-to-day duties are exclusively for BeNext Group Inc.

During the year retirement benefits were accruing to 1 director (2020:1) 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 £2,000 (2020:£7,000)

The company defines the listed directors as the only key management personnel within the Group.

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	**Year ended 31 March 2021 £'000**	**Year ended 31 March 2020 £'000**
Temporary Sales	179,160	181,409
Training Sales	2	12
Permanent Sales	958	2,072
	180,120	183,493

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

5 OPERATING PROFIT

Group operating profit is stated after charging:	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Depreciation of property, plant and equipment		
- owned	393	297
Amortisation of patents and trademarks	5	-
Amortisation of goodwill	452	452
Amortisation of other intangible assets	-	-
Amortisation of customer lists	757	758
Operating lease rental		
- property	529	712
- other	306	367
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	146	85
Fees payable to the Company's auditors and their associates for other services to the Group		
The audit of the Company's subsidiaries pursuant to legislation	-	-
Total audit fees	146	85
Tax services	9	5
Total non-audit fees	9	5

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. The amount is borne partly by the ultimate parent BeNext Group Inc and the remainder by the Company.

The non-audit fee was the amount paid to Lees accountants for the completion of the groups tax computations.

6 INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Interest payable and similar expenses	508	587
	508	587

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

7 TAX ON PROFIT

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Current taxation:		
UK corporation tax charge for the year	833	603
Deferred taxation:		
Origination and reversal of timing differences (note 13)	(145)	(144)
Total tax	688	459

Factors affecting tax charge

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Profit before taxation	3,031	1,626
Profit before taxation at the standard rate of corporation tax in the UK of 19.0% (2020:19.0%)	576	309
Effects of:		
Expenses not deductible for tax purposes	243	224
Losses carried forward / back	-	(61)
Non trading Loan Agreement	18	-
Adjustments in respect of Intangible assets	-	222
Capital allowances in excess of depreciation	(4)	(91)
Total tax charge for the year	833	603

During the year ended 31 March 2021, corporation tax has been calculated at 19% of estimated assessable profits for the year (2020:19%).

An increase in the UK corporation tax rate to 19% with effect from 1 April 2021 was substantively enacted on 17 March 2020. In the opinion of the Directors, the relevant timing differences at 31 March 2021 were expected to reverse after 1 April 2020 and therefore deferred tax was provided at a rate of 19% in the statutory accounts for that period In the Spring Budget 2021, the Government announced that form 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021.

Given that this change occurred after the balance sheet date, no subsequent adjustments or remeasurement to the tax balances utilising these new rates have been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

8 INTANGIBLE ASSETS

Group

	Customer Lists £'000	Patents and trade-marks £'000	Goodwill £'000	Total £'000
Cost				
At 1 April 2020	3,785	100	5,949	9,834
Additions	-	-	-	-
At 31 March 2021	3,785	100	5,949	9,834
Accumulated amortisation				
At 1 April 2020	1,199	32	2,365	3,596
Charge for the year (note 5)	757	5	452	1,214
At 31 March 2021	1,956	37	2,817	4,810
Net book value				
At 31 March 2021	1,829	63	3,132	5,024
At 31 March 2020	2,586	68	3,584	6,238

Company

	Patents and trade-marks £'000	Goodwill £'000	Total £'000
Cost			
At 1 April 2020	100	1,270	1,370
At 31 March 2021	100	1,270	1,370
Accumulated amortisation			
At 1 April 2020	32	1,270	1,302
Charge for the year	6	-	6
At 31 March 2021	38	1,270	1,308
Net book value			
At 31 March 2021	62	0	62
At 31 March 2020	68	0	68

The Directors evaluated whether there were any impairment triggers that would require a full impairment assessment to be made over intangible assets. COVID-19 was regarded as an impairment trigger in the current year. 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 year ended 31st March 2021. Please refer to page 24 for additional information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

9 PROPERTY, PLANT AND EQUIPMENT

Group

	Plant, machinery, fixtures and fittings £'000	Motor vehicles £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 April 2020	1,621	53	496	2,170
Additions	212	-	163	375
Disposal within the year	-	(24)	-	(24)
At 31 March 2021	1,833	29	659	2,521
Accumulated depreciation				
At 1 April 2020	805	29	413	1,247
Disposal within the year	-	(6)	-	(6)
Charge for the year	321	4	68	393
At 31 March 2021	1,126	27	481	1,634
Net book value				
At 31 March 2021	707	2	178	887
At 31 March 2020	816	24	83	923

Company

	Plant, machinery, fixtures and fittings £'000	Motor vehicles £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 April 2020	1,497	43	483	2,023
Additions	32	-	70	102
Disposal within the year	-	(14)	-	(14)
At 31 March 2021	1,529	29	553	2,111
Accumulated depreciation				
At 1 April 2020	754	29	411	1,194
Disposal within the year	-	(6)	-	(6)
Charge for the year	222	4	58	284
At 31 March 2021	976	27	469	1,472
Net book value				
At 31 March 2021	553	2	84	639
At 31 March 2020	743	14	72	829

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

10 INVESTMENTS

	£' 000
Company	
Cost	
At 1 April 2020	8,493
Additions	1,881
Disposals	-
At 31 March 2021	10,374
Provisions for impairment	
At 1 April 2020	(38)
Provision for the year	-
At 31 March 2021	(38)
Net book value	
At 31 March 2021	10,336
At 31 March 2020	8,456

The Directors evaluated whether there were any impairment triggers that would require a full impairment assessment to be made over investments in subsidiaries. COVID-19 was regarded as an impairment trigger in the current year. 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 year ended 31 March 2020. Please refer to page 24 for additional information.

Name of Company	Country of Incorporation	Registered Address	Class of Share Percentage
Kerr Recruitment Limited	England	Pulford House, Park Lane, Chester CH4 9EP	100%
gap Technical Limited	England	Pulford House, Park Lane, Chester CH4 9EP	90%
Quattro Recruitment Limited	England	Bank of England Court, Norwich, NR2 4SX	90%
Quattro Healthcare Limited	England	Bank of England Court, Norwich, NR2 4SX	90%
Quattro Group Holdings Limited	England	Bank of England Court, Norwich, NR2 4SX	90%
Global Personnel Group Limited	England	Pulford House, Park Lane, Chester CH4 9EP	70%
gap Personnel Group Spolka	Poland	Opolska 17 -19/1, Katowice, Poland	70%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

11 DEBTORS

	Group 31 March 2021 £'000	Company 31 March 2021 £'000	Group 31 March 2020 £'000	Company 31 March 2020 £'000
Due within one year:				
Trade debtors	26,769	22,540	19,845	14,772
Amounts owed by group undertakings	-	-	415	423
Deferred tax asset	-	-	-	41
Other debtors	543	352	4	106
Prepayments and accrued income	964	554	3,499	3,375
	28,276	23,446	23,763	18,717

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

Credit insurance is taken out against our trade debtors and therefore no impairment is provided in the financial statements.

12 CREDITORS

Amounts falling due within one year

	Group 31 March 2021 £'000	Company 31 March 2021 £'000	Group 31 March 2020 £'000	Company 31 March 2020 £'000
Trade creditors	870	625	826	707
Amounts owed to Group undertakings	1,415	5,934	5,004	8,268
Corporation tax payable	109	38	-	-
Other taxation and social security	7,410	3,547	6,543	3,959
Deferred consideration payable	-	-	1,306	1,306
Other creditors	1,890	1,216	2,362	1,653
Invoice finance facility repayable	5,560	6,090	10,432	11,220
Put and call option liability on acquisition	1,322	-	-	-
Accruals and deferred income	4,637	3,655	1,468	780
	23,213	21,105	27,941	27,893

Amounts owed to Group undertakings bear an interest rate of 2.311% and are repayable by May 2022.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

12 CREDITORS (continued)

Amounts falling due after more than one year	**Group 31 March 2021 £'000**	**Company 31 March 2021 £'000**	**Group 31 March 2020 £'000**	**Company 31 March 2020 £'000**
Put and call option liability on acquisition	-	-	3,203	-
Amounts owed to Group Undertakings	10,886	10,886	-	-

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

Provision for Liability	**Group 31 March 2021 £'000**	**Company 31 March 2021 £'000**	**Group 31 March 2020 £'000**	**Company 31 March 2020 £'000**
Deferred tax liability	357	-	461	-

13 NET TAXATION LIABILITY / (ASSET)

Net Taxation Liability / (Asset)	**Group £'000**	**Company £'000**
At 1 April 2020	461	41
		-
	(145)	
Deferred tax on customer lists		-
Deferred tax on capital allowances	41	(41)
At 31 March 2021	357	-

Analysis of deferred taxation:	**Group 31 March 2021 £'000**	**Company 31 March 2021 £'000**	**Group 31 March 2020 £'000**	**Company 31 March 2020 £'000**
Deferred tax liability on customer lists	347	-	491	-
Deferred tax liability / (asset) on capital allowances	10	-	(30)	(41)
	357	-	461	(41)

The deferred taxation liability for 2021 is presented within creditors (see note 12).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

14 CALLED UP SHARE CAPITAL

Group and company	31 March 2021 £'000	31 March 2020 £'000
Allotted, called up and fully paid		
300 ordinary shares of 1p each (2020: 300)	-	-

15 LEASING COMMITMENTS

Neither the Group nor Company had any capital commitments at 31st March 2021 (2020: £nil).

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

Group

	As at 31 March 2021 £'000	As at 31 March 2020 £'000
Within one year	508	354
Between two and five years	684	1,072
After more than five years	176	450
	1,368	1,876

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.

16 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	
Companies under common control (related undertakings)	31 March 2021 £'000	31 March 2020 £'000
BeNext Group Inc	(12,182)	(4,288)
	(12,182)	(4,288)

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

17 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

BeNext Holdings UK 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. gap Personnel Holdings Limited is the smallest Group that prepares consolidated financial statements.

BeNext Group Inc is incorporated in Japan and is listed on the Tokyo Stock exchange. The registered office is NBF Comodio Shiodome, 2-14-1 Higashi-shimbashi, Minato-ku, Tokyo 105-0021, Japan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2021

18 SHARE BASED PAYMENT SCHEME

During the year 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 cash-settled on the basis that both sellers (employees) and buyers (BNUK) can exercise the options and it is managements expectation that this option will be exercised at which point the shares must be sold back to 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.

A reconciliation of share option movements over the year to 31 March 2021 is shown below:

	No. 000	Weighted Average Exercise Price (£)
Outstanding at 1 April 2020	-	-
Granted	720	0.36
Forfeited	-	-
Exercised	-	-
Outstanding at 31 March 2021	720	0.36

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were £300,000 (2020: £nil). At the end of the financial period the company has accrued £300,000 (2020: £nil) in relation to the share-based compensation scheme.

19 POST BALANCE SHEET EVENT

In July 2021, gap Personnel Holdings Limited purchased 70% of shares in Driving Force Recruitment Holdings Ltd, meaning that they now also own 63% of shares in DFR Holdings Ltd and 50.4% in Driving Force Recruitment Ltd.

The COVID-19 pandemic's impact on the Group and Company has been disclosed on page 5 of the strategic report. The Directors do not anticipate any impairment charge in the financial year 2022 in respect of COVID-19.

On 5 May 2021, Gap Construction Limited was incorporated. It was subsequently renamed to Gap Personnel (Telford) Limited, with 85% of shares being held by Gap Personnel Holdings Limited. At the date of signing these financial statements, the entity has yet to begin trading. The intention is for the company to become a specialist provider of both temporary and permanent recruitment solutions within the Telford and surrounding area.