

Network Royle Recruitment Limited

Registered number: 09035501

Accounts for filing with the registrar

For the year ended 31 May 2020

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	12,404	4,471
		<u>12,404</u>	<u>4,471</u>
Current assets			
Debtors	164,672	167,443	
Cash at bank and in hand	56,619	5,076	
	<u>221,291</u>	<u>172,519</u>	
Creditors: amounts falling due within one year	(188,799)	(172,642)	
Net current assets/(liabilities)		<u>32,492</u>	<u>(123)</u>
Total assets less current liabilities		<u>44,896</u>	<u>4,348</u>
Net assets		<u><u>44,896</u></u>	<u><u>4,348</u></u>
Capital and reserves			
Called up share capital	50	50	
Profit and loss account	44,846	4,298	
	<u>44,896</u>	<u><u>4,348</u></u>	

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 December 2020.

Paul Aston
Director

James Craven
Director

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

1. General information

Network Royle Recruitment Limited (the Company) is a private Company, limited by shares, incorporated in England and registered in England and Wales, registered number 09035501. The address of its registered office is 3-5 Station Road, Urmston, Manchester, M41 9JG.

The principal activity of the Company is that of an employment placement agency.

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.

These financial statements have been prepared in pound sterling which is the functional currency of the Company, and rounded to the nearest £.

The Company has adopted the triennial review of FRS102 effective for periods commencing 1 January 2019.

Information in respect of the differences from the previous accounting framework are detailed within note 9.

The following principal accounting policies have been applied:

2.2 Going concern

These financial statements have been prepared on a going concern basis. The directors, having considered the financial position of the Company for a period of at least twelve months from the date of signing these financial statements, consider the use of the going concern basis of accounting to be appropriate.

The impact of COVID-19 has been assessed in relation to the Company's ability to continue to use the going concern basis of accounting and it has been concluded that COVID-19 has a minimal effect on the company.

The directors have a reasonable expectation that the business has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.3 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.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 June 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in profit or loss 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	-	25%	Reducing balance
Office equipment	-	25%	Reducing balance
Computer equipment	-	25%	Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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.

3. Employees

The average monthly number of employees, including directors, during the year was 67 (2019 - 54).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

4. Tangible fixed assets

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 June 2019	13,500	2,982	458	16,940
Additions	12,175	-	817	12,992
Disposals	(13,500)	-	-	(13,500)
At 31 May 2020	12,175	2,982	1,275	16,432
Depreciation				
At 1 June 2019	10,296	1,972	201	12,469
Charge for the year	1,922	253	81	2,256
Disposals	(10,697)	-	-	(10,697)
At 31 May 2020	1,521	2,225	282	4,028
Net book value				
At 31 May 2020	10,654	757	993	12,404
At 31 May 2019	3,204	1,010	257	4,471

5. Secured creditors

At the 31 May 2020, the following secured amounts were included within creditors falling due in one year.

	2020 £	2019 £
Financing facilities	-	64,596

The Company's invoice discounting facility provided by Aldermore Bank PLC is secured by way of a fixed and floating charge over the assets of the Company. At the balance sheet date there were no amounts due on the invoice discounting facility (2019: £64,596).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

6. Reserves

Profit & loss account

The profit and loss account represents cumulative profits and losses of the Company.

7. Pension commitments

The Company operates a defined Contribution plan for all employees of the Company. Contributions made into this plan are paid by the Company at rates specified in the rules of the schemes. The total amount recognised in profit and loss during the year was £9,204 (2019: £6,567). At the reporting date, amounts of £1,677 (2019: £1,665) were payable to the plan.

8. Related party transactions

During the year the Company paid an amount on behalf of a connected company under common ownership and control for professional fees. The total amount charged during the year was £165 (2019: £22,964). At the balance sheet date the amount of £165 was receivable from this company (2019: £nil).

9. Adoption of the triennial review of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to the triennial review of FRS 102 and have not impacted on equity or profit or loss.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.