

Driver Hire Merseyside Limited

Directors' report and financial statements

Registered number 10656708

Period ended 28 March 2021



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Officers and professional advisers

Directors

C Chidley
P McNulty
J Hough

Registered office

7 Bradford Business Park
King's Gate
Canal Road
Bradford
BD1 4SJ

Auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Banker

Yorkshire Bank
4 Victoria Place
Manor Road
Leeds
LS11 5AE

Solicitor

Knights PLC
10 Wellington Place
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LS1 4AP

Directors' report

The directors present their annual report and the audited financial statements for the 52 week Period ended 28 March 2021, with comparative information for the 52 week Period ended 29 March 2020.

Principal activities

The principal activity of the company is that of an employment business.

Business review

The directors are please with the result and expect to achieve a moderate growth in 2021/22.

The directors do not recommend the payment of a dividend (2020: *£nil*). The profit for the financial Period of £7,019 (2020: £7,775 loss) has been retained in reserves.

Directors and directors' interests

The directors who held office during the Period were as follows:

C Chidley
P McNulty
J Hough

Certain directors benefit from qualifying third party indemnity provisions in place during the financial Period and at the date of this report.

Political and charitable donations

During the Period the company did not make any political or charitable donations of a level requiring disclosure (2020: *£nil*).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Strategic report

The company is exempt by virtue of Section 414B of the Companies Act 2006 from preparing a strategic report.

Principal risks and uncertainties

Operations were impacted by the global outbreak of Covid-19 and following the initial lockdown period in the UK, in March 2020, a 45% drop in revenue was experienced in the first quarter of the period to March 2021. The business recovered, however, once lockdown measures were eased and no material negative impact has been witnessed in the subsequent localised, second and third national lockdowns in November 2020 and January 2021 respectively, with trading remaining buoyant.

Further detail is within the consolidated financial statements of Specialist People Services Group Limited.

Auditor

Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be appointed and Mazars LLP will therefore continue in office.

Small companies note

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

Going concern

The Company continues to be profitable and is in a net asset position. The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Please refer to note 1.2 for full details.

Directors' report *(continued)*

By order of the board

Paul McNulty
Paul McNulty (Feb 21, 2022 12:39 GMT)

P McNulty
Director

21/02/2022

7 Bradford Business Park
King's Gate
Canal Road
Bradford
BD1 4SJ

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Independent auditor's report to the members of Driver Hire Merseyside Limited

Opinion

We have audited the financial statements of Driver Hire Merseyside Limited ("the company") for the 52 week Period ended 28 March 2021 which comprise the Profit and loss account, the Balance sheet, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent auditor's report to the members of Driver Hire Merseyside Limited (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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. Based on our understanding of the company and its 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 preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to assumptions and judgements used in assessing the carrying values of intangible asset balances, significant one-off or unusual transactions, and revenue cut off.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

Independent auditor's report to the members of Driver Hire Merseyside Limited (*continued*)

Auditor's responsibilities for the audit of the financial statements (*continued*)

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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

Ashley Barraclough

Ashley Barraclough (Feb 22, 2022 20:17 GMT)

Ashley Barraclough (Senior Statutory Auditor)

for and on behalf of Mazars LLP, Statutory Auditor

Chartered Accountants & Statutory Auditor

5th Floor

3 Wellington Place

Leeds

LS1 4AP

22/02/2022

Profit and loss account
for the Period ended 28 March 2021

	<i>Note</i>	28 March 2021	29 March 2020
		£	£
Turnover	2	750,796	1,136,732
Cost of sales		(623,076)	(957,760)
Gross profit		127,720	178,972
Distribution costs		(13,026)	(23,796)
Administrative expenses		(142,943)	(165,105)
Other operating income	3	37,768	-
Operating profit/(loss)	4	9,519	(9,929)
Interest payable and similar charges	7	(854)	(32)
Profit/(loss) on ordinary activities before taxation		8,665	(9,961)
Tax on profit/(loss) on ordinary activities	8	(1,646)	2,186
Profit/(loss) for the financial Period		7,019	(7,775)

The company had no recognised gains and losses other than the results above and therefore, no separate statement of other comprehensive income has been presented.

The notes on pages 11 to 19 form part of these financial statements.

Balance sheet
at 28 March 2021

	<i>Note</i>	28 March 2021		29 March 2020	
		£	£	£	£
Fixed assets					
Intangible assets	9	44,100		51,450	
		<u>44,100</u>		<u>51,450</u>	
Current assets					
Debtors	10	129,030		151,182	
Cash at bank and in hand		18,386		95,888	
		<u>147,416</u>		<u>247,070</u>	
Creditors: amounts falling due within one year	11	(89,194)		(203,217)	
Net current assets		<u>58,222</u>		<u>43,853</u>	
Total assets less current liabilities		<u>102,322</u>		<u>95,303</u>	
Net assets		<u>102,322</u>		<u>95,303</u>	
Capital and reserves					
Called up share capital	12	100		100	
Share premium		73,451		73,451	
Profit and loss account	13	28,771		21,752	
Shareholders' funds		<u>102,322</u>		<u>95,303</u>	

These financial statements were approved by the board of directors on 21/02/2022

and were signed on its behalf by:

Paul McNulty
Paul McNulty (Feb 21, 2022 12:39 GMT)

P McNulty
Director

The notes on pages 11 to 19 form part of these financial statements.

Statement of changes in equity
for the Period ended 28 March 2021

	Called up share capital £	Share premium £	Profit & loss account £	Total shareholder's equity £
Balance at 1 April 2019	100	73,451	29,527	103,078
Total comprehensive loss for the Period				
Loss for the Period	-	-	(7,775)	(7,775)
Total comprehensive loss for the Period	-	-	(7,775)	(7,775)
Balance at 29 March 2020	100	73,451	21,752	95,303

	Called up share capital £	Share premium £	Profit & loss account £	Total shareholder's equity £
Balance at 30 March 2020	100	73,451	21,752	95,303
Total comprehensive income for the Period				
Profit for the Period	-	-	7,019	7,019
Total comprehensive income for the Period	-	-	7,019	7,019
Balance at 28 March 2021	100	73,451	28,771	102,322

The notes on pages 11 to 19 form part of these financial statements.

Notes

(the accompanying notes on pages 11 to 19 form part of the financial statements)

1 Accounting policies

Driver Hire Merseyside Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The accounts are made up to the Sunday nearest the company's accounting reference date of 31 March. The results for 2021 are for the 52 week period ended 28 March 2021 (2020: 52 week period 29 March 2020).

The Company's ultimate parent undertaking, Specialist People Services Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Specialist People Services Group Limited are available to the public and may be obtained from the registered office. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

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

This information is included in the consolidated financial statements of Specialist People Services Group Limited as at 28 March 2021.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 15.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

1.2 Basis of preparation

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As a member of the Specialist People Services Group of companies, headed by Specialist People Services Group Limited, together referred to as "the Group", the Company meets its day-to-day working capital requirements through operating cash flows and intercompany funding. The entity forms an integral part of the wider operation of the Group and as such is reliant on the continuation of the Group including for funding already provided. In making the going concern assessment the Directors have considered the cash flow forecasts for the Group for the period of at least 12 months from the date of approval of these financial statements.

As at 28 March 2021, the Group had borrowings amounting to £21.2 million including external bank borrowings of £14.9 million committed through June 2023. The external borrowing facility is subject to financial performance covenants. Driver Hire Merseyside Limited is included in the cross guarantee of the banking facilities.

The Board of the Group has prepared a working capital forecast based on assumptions as to future trading for a period of at least 12 months from the date of approval of these financial statements. These forecasts demonstrate that the Group will be able meet its liabilities as they fall due out of its available cash balances and will meet the reset performance covenants attached to the borrowing facility.

In approving the financial statements, the Directors currently anticipate that the Company will continue to be cash generative, even in the severe but plausible downside scenario, and therefore not require additional financial support to continue to pay its debts as they fall due. If additional financial support is required, the Company will depend on Specialist People Services Group Limited providing such financial support during the going concern period. Specialist People Services Group Limited has indicated its intention to continue to make available such funds as are needed by the company, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Foreign currency

The Company's functional and presentational currency is GBP. Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.5 Intangible assets, goodwill and negative goodwill

Goodwill arising on the acquisition of franchises, is capitalised and amortised over its estimated useful life on a straight-line basis. The useful life of goodwill is determined based on the individual circumstances of each franchise acquired. Goodwill is reviewed for impairment at the end of the first full financial Period following the acquisition and in other years if changes in circumstances or events indicate the carrying value may not be recoverable.

1.6 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the Periods during which services are rendered by employees.

1.7 Taxation

Tax on the profit or loss for the Period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the Period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous Periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.8 Finance costs

All finance costs are recognised in profit or loss in the year in which they are incurred.

Notes (continued)

1 Accounting policies (continued)

1.9 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.

1.10 Government grants

Grants are accounted for under the accruals model as permitted by FRS102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of the grant is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit or loss in the same period as the related expenditure.

2 Turnover

Turnover represents amounts derived by the company in respect of sales completed during the Period, excluding value added tax. Turnover is wholly attributable to activities within the UK. Income from the provision of temporary labour is recognised at the end of the completed working week based on hours worked multiplied by contracted rates. Income from permanent placements is recognised when the candidate starts work.

3 Other operating income

	28 March 2021	29 March 2020
	£	£
COVID-19 Government grants	37,768	-

4 Operating profit/(loss)

	28 March 2021	29 March 2020
	£	£
Operating profit/(loss) is stated after charging:		
Amortisation of goodwill	7,350	7,350

Auditor's remuneration for the Period was borne by another group company, Driver Hire Group Services Limited.

Notes (continued)

5 Remuneration of directors

	28 March 2021 £	29 March 2020 £
Directors' emoluments:		
Remuneration	30,600	29,622
Company contributions to defined contribution pension schemes	974	978
	<u>31,574</u>	<u>30,600</u>

Only one of the directors is remunerated through the company.

During the year retirement benefits were accruing to 1 director (2020: 1) in respect of defined contribution pension schemes.

6 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the Period was as follows:

	Number of employees	
	28 March 2021	29 March 2020
Administration	<u>4</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows:

	28 March 2021 £	29 March 2020 £
Wages and salaries	95,101	110,414
Social security costs	7,716	7,869
Cost of defined contribution scheme	2,646	2,683
	<u>105,463</u>	<u>120,966</u>

7 Interest payable and similar charges

	28 March 2021 £	29 March 2020 £
Factoring interest	<u>854</u>	<u>32</u>

Notes (continued)

8 Tax on profit/(loss) on ordinary activities

Analysis of charge/(credit) in Period

	28 March 2021	29 March 2020
	£	£
<i>UK corporation tax</i>		
Current tax on income for the Period	3,043	(496)
Adjustment in respect of prior Periods	-	-
Total current tax	3,043	(496)
<i>Deferred taxation</i>		
Effect of change in tax rate on opening balance	-	(294)
Origination and reversal of timing differences	(1,397)	(1,396)
Total deferred tax	(1,397)	(1,690)
Tax on profit/(loss) on ordinary activities	1,646	(2,186)

The tax assessed for the Period is the same as (2020: *lower*) than the standard rate of corporation tax in the UK of 19% (2020: 19%).

Reconciliation of tax charge/(credit):

	28 March 2021	29 March 2020
	£	£
Profit/(loss) on ordinary activities before tax	8,665	(9,961)
Corporation tax in the UK at 19% (2020: 19%)	1,646	(1,893)
Effects of:		
UK tax not at standard rate	-	(293)
Total tax charge/(credit) included in profit or loss	1,646	(2,186)

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

Notes (continued)

9 Intangible assets

	Goodwill £
<i>Cost</i>	
Balance at 30 March 2020	73,500
Balance at 28 March 2021	73,500
<i>Amortisation</i>	
Balance at 30 March 2020	22,050
Charge for the Period	7,350
Balance at 28 March 2021	29,400
Net book value at 28 March 2021	44,100
Net book value at 29 March 2020	51,450

The goodwill arose in 2017 on the purchase of the Liverpool and Runcorn franchises and is being amortised over a period of 10 years.

10 Debtors

	28 March 2021 £	29 March 2020 £
Trade debtors	121,837	143,487
Prepayments and accrued income	1,607	2,006
Deferred tax	5,586	4,189
Other debtors	-	1,004
Corporation tax	-	496
	129,030	151,182

The deferred taxation asset relates wholly to the excess of capital allowances over depreciation.

The movement in deferred taxation in the Period was as follows:

	28 March 2021 £	29 March 2020 £
Balance at start of period	4,189	2,499
Credit to profit and loss account (note 8)	1,397	1,690
Balance at end of period	5,586	4,189

Notes (continued)

11 Creditors: amounts falling due within one year

	28 March 2021	29 March 2020
	£	£
Trade creditors	1,359	-
Social security and other taxes	32,503	40,668
Amounts owed to group undertakings (repayable upon demand)	43,964	47,619
Other creditors and accruals	8,821	114,930
Corporation tax	2,547	-
	89,194	203,217

No interest is charged on the amounts owed to group undertakings.

12 Called up share capital

	28 March 2021	29 March 2020
	£	£
<i>Issued, allotted and fully paid</i>		
51 Ordinary A shares of £1 each	51	51
49 Ordinary B shares of £1 each	49	49
	100	100

13 Reserves

	Profit and loss account £
Balance at 30 March 2020	21,752
Profit for the financial Period	7,019
Balance at 28 March 2021	28,771

14 Capital commitments

There were no capital commitments contracted for but not provided at 28 March 2021 and 29 March 2020.

15 Accounting estimates and judgements

Critical accounting judgements in applying the Company's accounting policies

The Company believes that the major judgement applied is the use of the going concern principle which supports the valuation of assets included in the Balance Sheet.

Key sources of estimation uncertainty

The Company believes that there are no areas of material uncertainty which affect the financial statements.

Notes (continued)

16 Contingent liabilities

The Company is party to an intercompany cross guarantee with respect to banking facilities for other group companies.

17 Ultimate parent company

The company's ultimate parent company is Specialist People Services Group Limited, a company incorporated in England and Wales.

The accounts of Specialist People Services Group Limited are available from the company's registered office at 7 Bradford Business Park, King's Gate, Canal Road, Bradford, BD1 4SJ.

18 Related party transactions

During the Period, the company purchased services of £65,979 (2020: £118,985) from Driver Hire Group Services Limited.

During the period the company sold services of £116,725 (2020: £131,009) to Driver Hire Contracts Ltd. At 28 March 2021, there are trade debtors of £6,139 (2020: £9,837).