

Company registration number 03606174 (England and Wales)

**NICHOLAS ASSOCIATES GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



# NICHOLAS ASSOCIATES GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr N G W Cragg Mr B J Allen Mr A N Boorman Mr P M Brammer
<b>Secretary</b>	Mrs M Cragg
<b>Company number</b>	03606174
<b>Registered office</b>	Reginald Arthur House Percy Street Rotherham South Yorkshire S65 1ED
<b>Auditor</b>	Xeinadin Audit Ltd Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD

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# NICHOLAS ASSOCIATES GROUP LIMITED

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# NICHOLAS ASSOCIATES GROUP LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present the strategic report for the year ended 31 December 2022.

### **Review of the business**

#### Analysis of performance:

The Company continues to experience high level of competitor activity - in a labour constrained market – together with an increased cost base which is driving down its margins in its traditional temporary labour market, however the business continues to mitigate the effect of this through it's complimentary service offerings to its clients.

The Director's are pleased to report that the company achieved growth across all it's key operational metrics of Turnover, Gross Profit Percentage and EBITDA in 2022.

The Company's strategy of enhancing shareholder value through long term sustainable growth via its's Apprentice to Boardroom offering continues to be it's core focus.

#### Current trading:

The business is not immune to the macroeconomic conditions which have adversely affected the global economy during 2023, with geopolitical uncertainty, sharp increases in interest rates and stubbornly high inflation, all combining to suppress demand. Nevertheless the business remains profitable, is continuing to invest and continues to believe that being an ethical, financially stable and compliant business will ensure future success.

### **Principal risks and uncertainties**

#### Analysis of Principal Risks:

#### Commercial risk

In line with many businesses our cash flow and income fluctuates as a result of factors outside our control.

In order to minimise this risk we operate across a broad spectrum of business sectors serving a wide client base. The company continues to develop key relationships by seeking to provide value added services to our clients across all our markets.

The labour market continues to be highly competitive for both temporary and permanent business, with demand continuing to exceed supply in all our key markets.

The thread of competitors operating at unsustainable margins in order to increase market share in the short term remains a challenge, which we seek to address through championing excellence of service for all stakeholders.

#### Economic risk

The Company's funding is primarily provided by an invoice finance facility with Variable interest rates and as such the Company's profitability can be affected by large movements in Base Rates.

During the year the Company has experienced margin pressure from competitors across all our markets.

The costs of entry to the market are often relatively low however the requirement for increased levels of compliance by both regulators and market drivers in some sectors offer opportunities for the Company to differentiate itself.

#### Credit and Liquidity risk

The Company's principal financial assets are cash and trade debtors & as such the Company seeks to ensure sufficient liquidity is available to meet the Company's foreseeable cash requirements, through regular scenario forecasting. The company manages credit risk through the adherence to credit limits, the regular review of payment history, debt collection targets and credit insurance facilities

# NICHOLAS ASSOCIATES GROUP LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### Operational risk

The Company remains committed to the training, development and welfare of its staff and recognise their importance in the continued success to the Company.

The Company continues to be reliant on a number of technology systems. In order to minimise that risk the business continually reviews its disaster recovery plan with particular emphasis on the ability to cope with the loss of one of these systems. In the short to medium term the Company is also reliant upon the senior board members to deliver the strategy of developing key client relationships through the provision of value added services.

Any further viral outbreak akin to Covid-19, would in all likelihood again cause global economic uncertainty and adversely affect the markets in which the business operates to a greater or lesser extent.

### **Analysis of development and performance**

#### Future Developments

The Company has continued to develop its management information systems in order to improve operating efficiency and to ensure the highest levels of compliance standards. The Company will continue to develop and enhance its systems and commercial offerings, in order to enhance both its and its client's sustainable profitability. Furthermore, the company has invested in an IT Strategy which will see it move to being an early adopter of technology and to enable that ambition has appointed it's first IT Director.

#### **Key performance indicators**

	<u>2022</u>	<u>2021</u>
Gross Profit Percentage	16.22%	14.76%
Current Ratio	1.26	1.14
Operating EBITDA	£2,477,084	£1,333,823

#### **Section 172 (1) Statement**

The Directors consider that they have acted in a way which is in good faith, most likely to promote the success of the Company and its continuing reputation for high standards of business conduct, and for the benefit of all of its stakeholders, having regard to the stakeholders and matters set out in Section 172 of the UK Companies Act 2006

#### **Our Business Relationships**

Honesty, integrity and professionalism are the core principles which drive our culture & are key to maintaining our reputation as a trusted business partner.

#### **Our Stakeholders**

Nicholas Associates Group Limited demonstrates ongoing commitment to corporate and social responsibility through our compliance policies and we recognise that meaningful engagement with our key stakeholders is integral to the company's continued success.

#### **Our Workforce**

Our employees are our most valuable asset. Building and maintaining a people first culture is embedded in decision making across the Group, and is intrinsic to how we attract, engage and retain our employees. We have partnered with Best Companies to promote an outstanding work environment, in which all our colleagues can flourish, in order to become an Employer of Choice and constantly work to improve our Employee Value Proposition. We are committed to providing equal opportunities in all areas to all of our employees across our entire business. For the Group, diversity is achieving a rich pool of people with different personal characteristics to drive sustainable value creation borne from alternative thinking.

Our employee engagement starts prior to and during the onboarding process, all employees have the opportunity to meet senior leaders face to face in a comprehensive induction program. Employees are kept updated through quarterly virtual meetings, which are presented by the Directors, which keep staff up to date with various financial and economic factors affecting the performance of the company & future plans. Employees are actively encouraged to participate in developing the company through the Staff Forum, whose (staff elected) Chair meets with the Directors on a monthly basis to discuss our employee's ideas for improvements

# NICHOLAS ASSOCIATES GROUP LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### Our Supply Chains

Given the industry in which we operate, we do not have an extensive supply chain network. Our supply chains include, amongst others: office supplies including stationery, IT hardware and software, cleaning and catering services, advertising and print services, office fit-out and maintenance services, and professional services. We identify and assess the risk of potential slavery and human trafficking in our supply chains using a number of factors including the requirement for all suppliers to agree to comply with the Modern Slavery Act. We continue to publish our payment practices in line with the Reporting on Payment Practices and Performance Regulations 2017 and on average across our supply chain it takes the company 37.9 days to pay our suppliers with 62.4% of all invoices being paid within 30 days.

### Our Candidates

Nicholas Associates Group Limited is continually seeking to improve our candidate's experience by working with our consultants & coaching them to understand the needs & aspirations of our candidates, in order to find the right job for them. We are committed to protecting our workforce from all forms of labour exploitation & modern slavery. We review, analyse & monitor data to identify any areas of concern, so we can through proactive action, minimise the likelihood of our workers being effected by these heinous practices. We ask our candidates to complete surveys following their assignments to continually improve our service.

### Our Clients

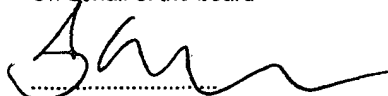
Intrinsic to its long term success the business is focused on developing multi-layered, long-term partnerships with its clients. Furthermore the business is committed to supporting our customers through consultation in order to provide tailored support to their businesses as they adapt to meet their own customers' changing needs and any impact on them from the wider macroeconomic environment.

Nicholas Associates Group Limited has both a nominated National & International Charity for whom we undertake fund raising activities. Over and above this we also encourage our employees by providing paid leave to engage in volunteer work and fundraising activities that support the issues that really matter to them personally.

### Our Environment

We are committed to decreasing our environmental impact and put this into practice in several ways; we operate a Cycle to Work Scheme, we currently run an incentive to plant 4,000 trees in the UK during 2023, and are in the process of transitioning all Company Vehicles to Hybrid engines and will be instigating an EV Salary sacrifice arrangement in the near future to encourage car users to convert to fully electric vehicles.

On behalf of the board



Mr B J Allen  
Director

Date: 29/9/2023

# NICHOLAS ASSOCIATES GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### **Principal activities**

The principal activity of the company continued to be that of providers of temporary staff.

#### **Results and dividends**

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N G W Cragg  
Mr B J Allen  
Mr A N Boorman  
Mr P M Brammer

#### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

#### **Disabled persons**

It is the Group's policy to give full and fair consideration to suitable applications from disabled persons. Once employed, disabled persons receive equal opportunities for training, career development and promotion. Opportunities exist for employees of the Group who become disabled to continue their employment or to be trained for other positions within the

#### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Employees are kept aware of developments within the Group through an Annual Seminar and regular briefings which include quarterly Teams Meetings where the directors update the staff on historic performance and future plans. Employee involvement is further encouraged through the Staff Forum which has a direct line of communication to the Chief Executive.

#### **Energy and carbon report**

This is the Company's first time adoption of disclosures on energy and carbon. The information below represents the company's energy use and greenhouse gas (GHG) emissions from electricity and fuel in the UK.

# NICHOLAS ASSOCIATES GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
<i>Energy consumption</i>	<b>kWh</b>	<b>kWh</b>
Aggregate of energy consumption in the year		
- Gas combustion	44,016	68,985
- Electricity purchased	180,036	138,728
- Fuel consumed for transport	495,819	265,945
	<u>719,871</u>	<u>473,658</u>
	<u><u>719,871</u></u>	<u><u>473,658</u></u>
<i>Emissions of CO2 equivalent</i>	<b>2022</b>	<b>2021</b>
	<b>metric</b>	<b>metric</b>
	<b>tonnes</b>	<b>tonnes</b>
Scope 1 - direct emissions		
- Gas combustion	8.10	12.70
- Fuel consumed for owned transport	13.00	12.00
	<u>21.10</u>	<u>24.70</u>
Scope 2 - indirect emissions		
- Electricity purchased	34.80	29.50
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	-	-
	<u>55.90</u>	<u>54.20</u>
	<u><u>55.90</u></u>	<u><u>54.20</u></u>
<i>Intensity ratio</i>		
Tonnes CO2e per m2	Gas 0.12; Electricity 0.5	Gas 0.21; Electricity 0.48
	<u><u>0.5</u></u>	<u><u>0.48</u></u>

#### *Quantification and reporting methodology*

We have followed the 2019 HM Government Environmental Reporting Guideline, including streamlined energy and carbon reporting guidance. We have also used the Greenhouse Gas Reporting Protocol – A Corporate Accounting and Reporting Standard and have used the 2022 UK Government's GHG Conversion Factors for Company Reporting.

#### *Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per square metre.

#### *Measures taken to improve energy efficiency*

The following energy efficiency actions have been taken over the course of the last year:

- Reviewing office occupancy levels, leading to decreasing the size of the Rotherham office.
- Continuing to utilise virtual meetings to reduce the need for travel.
- Registering applicants online to reduce significantly journeys.
- Promoting a cycle to work scheme with uptake of 5 new people this year.

# NICHOLAS ASSOCIATES GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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:

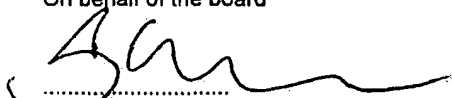
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

### Statement of disclosure to auditor

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

On behalf of the board



Mr B J Allen

Director

Date: 29/9/2023

# NICHOLAS ASSOCIATES GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NICHOLAS ASSOCIATES GROUP LIMITED

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#### Opinion

We have audited the financial statements of Nicholas Associates Group Limited (the 'company') for the year ended 31 December 2022 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

# NICHOLAS ASSOCIATES GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF NICHOLAS ASSOCIATES GROUP LIMITED

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context relating to the reporting framework (The Companies Act 2006) and relevant taxation compliance regulations.

In addition, we also concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements, being those laws relating to data protection and GDPR guidelines and also Coronavirus regulations. Due to the nature of the sectors that the company operates in, it is also required to register with, and follow guidelines set by the Gangmasters and Labour Abuse Authority, who are the body set up to protect vulnerable and exploited workers.

We understood how the company is complying with these frameworks and regulations by making enquiries of management and those responsible for compliance and corroborated these enquiries with reviews of board minutes and any available correspondence with legal advisors.

We assessed that there were risks of material impact on the financial statements from irregularities, including fraud from the override of controls by management, timing and recognising of income and in the manipulation of the company's key performance indicators to meet targets.

# NICHOLAS ASSOCIATES GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF NICHOLAS ASSOCIATES GROUP LIMITED

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#### Audit response to risks identified

We carried out procedures to respond to these risks, including enquiries of management about their systems and controls to identify these risks of irregularities, testwork to review a sample of journal entries made during the year, reviewing and testing assumptions made on accounting estimates for management biases and testing the timing and recognition of revenue.

Our audit procedures were designed to respond to risks of material misstatements in the financial statements, recognising that 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 more sophisticated acts, including concealment, collusion or deliberately failing to record transactions through intentional misrepresentation.

There are inherent limitations within an audit, even though it has been properly planned and carried out in accordance with auditing standards and we cannot be responsible for preventing non-compliance and cannot be expected to detect non compliance with all laws and regulations.

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

#### Use of our report

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



**Christopher Holder BA BFP FCA (Senior Statutory Auditor)**  
For and on behalf of Xeinadin Audit Ltd

Date: 29/9/23

**Chartered Accountants**  
**Statutory Auditor**

Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
SK4 2HD

# NICHOLAS ASSOCIATES GROUP LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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		2022	2021
	Notes	£	as restated £
Revenue	3	70,373,731	61,913,692
Cost of sales		(58,960,176)	(52,778,048)
<b>Gross profit</b>		<b>11,413,555</b>	<b>9,135,644</b>
Administrative expenses		(9,388,579)	(8,284,300)
Other operating income		177,078	198,556
<b>Operating profit</b>	4	<b>2,202,054</b>	<b>1,049,900</b>
Investment income	7	10,646	6
Finance costs	8	(219,101)	(172,220)
<b>Profit before taxation</b>		<b>1,993,599</b>	<b>877,686</b>
Tax on profit	9	(361,637)	(195,432)
<b>Profit and total comprehensive income for the financial year</b>		<b>1,631,962</b>	<b>682,254</b>

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# NICHOLAS ASSOCIATES GROUP LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022		2021 as restated	
		£	£	£	£
<b>Non-current assets</b>					
Intangible assets - goodwill	12		40,000		50,000
Other intangible assets	12		93,022		120,691
Property, plant and equipment	13		533,447		586,617
Investments	14		29,597		29,597
			<u>696,066</u>		<u>786,905</u>
<b>Current assets</b>					
Trade and other receivables	16	15,302,966		11,806,540	
Cash and cash equivalents		710,272		1,466,892	
		<u>16,013,238</u>		<u>13,273,432</u>	
<b>Current liabilities</b>	17	<u>(12,724,481)</u>		<u>(11,602,207)</u>	
<b>Net current assets</b>			<u>3,288,757</u>		<u>1,671,225</u>
<b>Total assets less current liabilities</b>			<u>3,984,823</u>		<u>2,458,130</u>
<b>Non-current liabilities</b>	17		(145,459)		(245,928)
<b>Provisions for liabilities</b>					
Other provisions	21		(32,000)		(36,800)
<b>Net assets</b>			<u>3,807,364</u>		<u>2,175,402</u>
<b>Equity</b>					
Called up share capital	23		1,004		1,004
Other reserves	24		(179,999)		(179,999)
Retained earnings			3,986,359		2,354,397
<b>Total equity</b>			<u>3,807,364</u>		<u>2,175,402</u>

The financial statements were approved by the board of directors and authorised for issue on 29/9/23 and are signed on its behalf by:

  
 .....  
 Mr B J Allen  
 Director

Company registration number 03606174

# NICHOLAS ASSOCIATES GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Other reserves £	Retained earnings £	Total £
<b>As restated for the period ended 31 December 2021:</b>					
<b>Balance at 1 January 2021</b>		1,004	(179,999)	2,826,168	2,647,173
Transition adjustments		-	-	45,975	45,975
<b>As restated</b>		<u>1,004</u>	<u>(179,999)</u>	<u>2,872,143</u>	<u>2,693,148</u>
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	682,254	682,254
Transactions with owners in their capacity as owners:					
Dividends	10	-	-	(1,200,000)	(1,200,000)
<b>Balance at 31 December 2021</b>		<u>1,004</u>	<u>(179,999)</u>	<u>2,354,397</u>	<u>2,175,402</u>
<b>Year ended 31 December 2022:</b>					
Profit and total comprehensive income for the year		-	-	1,631,962	1,631,962
<b>Balance at 31 December 2022</b>		<u><u>1,004</u></u>	<u><u>(179,999)</u></u>	<u><u>3,986,359</u></u>	<u><u>3,807,364</u></u>

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Nicholas Associates Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Reginald Arthur House, Percy Street, Rotherham, South Yorkshire, S65 1ED. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. These policies have been applied consistently to all years presented, unless otherwise stated.

The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed elsewhere in this note.

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

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

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - Paragraph 79(a)(iv) of IAS 1;
  - Paragraph 73(e) of IAS 16 Property, plant and equipment;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (Statement of cashflows)
  - 10(f), (A statement of financial position as at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 40A-D (requirements for a third statement of financial position);
  - 111 (cash flow statement information), and;
  - 134-136 (capital management disclosures);

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24 'Related party disclosures' (key management compensation); and
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business combinations'; and
- The requirements in IAS 24 'Related party disclosures' to disclose related party disclosures entered in to between two or more members of a group.

#### 1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Revenue

Revenue relates entirely to the provision of services to clients and arises wholly within the United Kingdom.

The provision of temporary contractors is deemed to have one performance obligation which is the satisfactory completion of hours of work. Revenue is recognised as services are rendered. Invoices are raised weekly for the work carried out.

The provision of permanent workers depends on the terms of the arrangement. Where a candidate simply needs to be placed the contract is deemed to have completed the performance obligation when the candidate starts work and revenue is recognised at that date. Where non-refundable terms have been agreed the performance obligation is deemed to be completed when the invoice is raised. Where a candidate needs to achieve set lengths of time in the placement, the performance obligation is deemed to be completed partly on placement and partly on achievement of each milestone in the contract. Revenue is recognised in accordance with the stages defined in the contract as each stage is completed.

The provision of software licencing services are recognised evenly over the agreed time span with the performance obligation being that the services are available during the period specified. Where invoices overlap the end of an accounting period turnover is deferred for the portion after the period end.

Revenue from a contract to supply other services is recognised as follows:

- For smaller projects, income is recognised on completion of work and acceptance by the client which is considered to be the completion of the performance obligation.
- For larger projects with identifiable delivery points revenue is recognised 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.

Trade receivables and payables related to these sales are recorded at full invoice value.

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### 1.4 Goodwill

Goodwill represents the excess of the fair value of the cost of a business acquisition over the Company's share of the fair value of assets and liabilities acquired as at the date of acquisition. Goodwill is tested annually for impairment and carried at historic fair value less accumulated impairment losses.

#### 1.5 Intangible assets other than goodwill

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

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

- Software - amortised evenly over its estimated useful life of 10 years

#### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Right of use assets	straight line over the length of the lease
Fixtures and fittings	33% on cost, 33% and 25% on reducing balance
Motor vehicles	33% and 25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Right of use assets are depreciated over their lease term.

#### 1.7 Impairment of tangible and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

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

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

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

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

#### 1.10 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### ***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

The company has a financing arrangement whereby the company receives advances against eligible receivables but retains responsibility for collection. The amounts due are funded on a recourse basis and consequently the receivable remains on the balance sheet until settled by the customer.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.11 Equity instruments

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

##### 1.12 Taxation

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

###### **Current tax**

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

###### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

##### 1.13 Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. Provisions in respect of dilapidations for property leases are included in the Right of Use Asset with depreciation charged to the Statement of Comprehensive Income over the life of the lease. When payments in respect of provisions are eventually made, they are charged to the provision carried in the Statement of Financial Position.

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.14 Employee benefits

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

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

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

##### 1.15 Retirement benefits

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

##### 1.16 Leases

The Company is not party to any material leases where it acts as a lessor, but the Company does have a number of material property and vehicle leases, under which it is a lessee.

The Company considers whether a contract is, or contains a lease. A lease is defined as "a contract or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use-asset and a lease liability on the balance sheet. The right-of-use-asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Company depreciates the right-of-use-assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The Company also assesses the right-of-use-asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use-asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use-asset and lease liability, the payments in relation to these are recognised as an expense in profit and loss on a straight line basis over the lease term.

On the statement of financial position, right-of-use-assets are included in property, plant and equipment and lease liabilities are disclosed separately.

#### 1.17 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

#### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

##### Critical judgements

##### Fixed asset investment valuations

The basis of valuation is shown in the accounting policies.

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3 Revenue

	2022	2021
	£	£
<b>Revenue analysed by class of business</b>		
Provision of temporary staff	70,373,731	61,913,692

	2022	2021
	£	£
<b>Other income</b>		
Grants received	105,578	117,149

#### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(105,578)	(117,149)
Fees payable to the company's auditor for the audit of the company's financial statements	23,000	16,205
Depreciation of property, plant and equipment	234,133	250,014
Loss on disposal of property, plant and equipment	3,228	2,795
Amortisation of intangible assets (included within administrative expenses)	27,669	27,669

#### 5 Employees

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

	2022	2021
	Number	Number
Administrative Employees	326	261
Subcontractors	3,178	2,923
<b>Total</b>	<b>3,504</b>	<b>3,184</b>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	7,711,049	6,578,496
Social security costs	662,701	520,688
Pension costs	202,394	149,486
<b>Total</b>	<b>8,576,144</b>	<b>7,248,670</b>

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6	Directors' remuneration	2022	2021
		£	£
	Remuneration for qualifying services	294,451	321,653
	Company pension contributions to defined contribution schemes	30,508	29,811
		<u>324,959</u>	<u>351,464</u>
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
		2022	2021
		£	£
	Remuneration for qualifying services	96,187	107,117
	Company pension contributions to defined contribution schemes	15,598	14,651
		<u>111,785</u>	<u>121,768</u>
7	Investment income	2022	2021
		£	£
	<b>Interest income</b>		
	Interest on bank deposits	10,646	6
		<u>10,646</u>	<u>6</u>
8	Finance costs	2022	2021
		£	£
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts and loans	210,248	162,768
	Interest on lease liabilities	8,853	9,452
		<u>219,101</u>	<u>172,220</u>
9	Taxation	2022	2021
		£	£
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	363,513	187,722
	Adjustments in respect of prior periods	(1,876)	7,710
	<b>Total UK current tax</b>	<u>361,637</u>	<u>195,432</u>

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 9 Taxation (Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2022 £	2021 £
Profit before taxation	1,993,599	877,686
Expected tax charge based on a corporation tax rate of 19.00% (2021: 19.00%)	378,784	166,760
Effect of expenses not deductible in determining taxable profit	3,268	4,330
Depreciation on assets not qualifying for tax allowances	6,030	16,632
Under/(over) provided in prior years	(1,876)	7,710
Right of Use lease payments made	(15,640)	-
Movement on bad debt provision	(8,929)	-
<b>Taxation charge for the year</b>	<b>361,637</b>	<b>195,432</b>

#### 10 Dividends

	2022 per share £	2021 per share £	2022 Total £	2021 Total £
Amounts recognised as distributions:				
<b>Ordinary</b>				
Interim dividend paid	-	1,200.00	-	1,200,000

#### 11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2022 £	2021 £
In respect of:		
Goodwill	10,000	-
Recognised in:		
Administrative expenses	10,000	-

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 12 Intangible fixed assets

	Goodwill £	Software £	Total £
<b>Cost</b>			
At 31 December 2021	50,000	276,691	326,691
At 31 December 2022	50,000	276,691	326,691
<b>Amortisation and impairment</b>			
At 31 December 2021	-	156,000	156,000
Charge for the year	-	27,669	27,669
Impairment loss	10,000	-	10,000
At 31 December 2022	10,000	183,669	193,669
<b>Carrying amount</b>			
At 31 December 2022	40,000	93,022	133,022
At 31 December 2021	50,000	120,691	170,691

More information on impairment movements in the year is given in note 11.

#### 13 Property, plant and equipment

	Right of use assets £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2022	521,512	699,742	30,329	1,251,583
Additions	19,336	142,697	22,000	184,033
Disposals	(30,381)	(112,744)	-	(143,125)
At 31 December 2022	510,467	729,695	52,329	1,292,491
<b>Accumulated depreciation and impairment</b>				
At 1 January 2022	129,359	533,330	2,277	664,966
Charge for the year	133,638	91,649	8,846	234,133
Eliminated on disposal	(30,381)	(109,674)	-	(140,055)
At 31 December 2022	232,616	515,305	11,123	759,044
<b>Carrying amount</b>				
At 31 December 2022	277,851	214,390	41,206	533,447
At 31 December 2021	392,153	166,412	28,052	586,617

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Investments

	Current 2022 £	2021 £	Non-current 2022 £	2021 £
Investments in subsidiaries	-	-	29,597	29,597

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held Direct
Action 4 Business Limited	Reginald Arthur House, Percy Street, Rotherham, South Yorkshire S65 1ED	Dormant company	Ordinary	100.00
Cenfra Limited	Reginald Arthur House, Percy Street, Rotherham, South Yorkshire, S65 1ED	Dormant company	Ordinary	100.00
Relay Recruitment Limited	Reginald Arthur Hopuse, Percy Street, Rotherham, South Yorkshire, SE65 1ED	Dormant company	Ordinary	100.00
Apprentice Employment Agency Limited	Reginald Arthur House, Percy Street, Rotherham, South Yorkshire, SE65 1ED	Dormant company	Ordinary	100.00
The Centre for Food Robotics and Automation Limited	Reginald Arthur House, Percy Street, Rotherham, South Yorkshire, SE65 1ED	Dormant company	Ordinary	100.00
Titans Rugby Limited	New Ebury House, South Grove, Rotherham, South Yorkshire, S60 2AF	Rugby Union Club	Ordinary A	41.66
Titans Rugby Limited	New Ebury House, South Grove, Rotherham, South Yorkshire, S60 2AF	Rugby Union Club	Ordinary	38.16

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Action 4 Business Limited	4	-
Cenfra Limited	1	-
Relay Recruitment Limited	29,592	-
Apprentice Employment Agency Limited	800	-
The Centre for Food Robotics and Automation Limited	820	-
Titans Rugby Limited	(708,802)	35,189

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16 Trade and other receivables

	2022 £	2021 £
Trade receivables	12,492,837	9,401,829
Amounts owed by fellow group undertakings	1,479,471	1,775,150
Other receivables	1,039,607	269,900
Prepayments and accrued income	291,051	359,661
	<u>15,302,966</u>	<u>11,806,540</u>

Amounts owed by group undertakings are interest free, unsecured, have no fixed repayment date and are repayable on demand.

#### 17 Liabilities

	Notes	Current		Non-current	
		2022 £	2021 £	2022 £	2021 £
Borrowings	18	4,656,849	5,205,568	-	-
Trade and other payables	19	6,573,850	5,660,570	-	-
Corporation tax		363,513	187,482	-	-
Other taxation and social security		1,014,899	435,171	-	-
Lease liabilities	20	115,370	113,416	145,459	245,928
		<u>12,724,481</u>	<u>11,602,207</u>	<u>145,459</u>	<u>245,928</u>

Non-current liabilities represents non-current lease liabilities and provisions.

#### 18 Borrowings

	2022 £	2021 £
<b>Borrowings held at amortised cost:</b>		
Directors' loans	26,658	174,334
Other loans	-	31,442
Factored debts	4,630,191	4,999,792

A debenture was created in April 2018 to secure all monies due on factored debts to Close Brothers, including a fixed and floating charge over all of the company's undertakings and assets.

#### 19 Trade and other payables

	2022 £	2021 £
Trade payables	4,669,136	4,120,948
Amounts owed to fellow group undertakings	85,215	64,380
Accruals and deferred income	1,713,270	1,340,053
Other payables	106,229	135,189
	<u>6,573,850</u>	<u>5,660,570</u>

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

20 Lease liabilities	2022	2021
Maturity analysis	£	£
Within one year	115,370	113,416
In two to five years	145,459	245,928
Total undiscounted liabilities	<u>260,829</u>	<u>359,344</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022	2021
	£	£
Current liabilities	115,370	113,416
Non-current liabilities	145,459	245,928
	<u>260,829</u>	<u>359,344</u>

	2022	2021
	£	£
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>8,853</u>	<u>9,452</u>

21 Provisions for liabilities	2022	2021
	£	£
Property costs	<u>32,000</u>	<u>36,800</u>
Movements on provisions:		<b>Property costs</b>
		£
At 1 January 2022		36,800
Utilisation of provision		<u>(4,800)</u>
At 31 December 2022		<u>32,000</u>

Provision is made for 'wear and tear' dilapidations costs at the Company's leased properties. Dilapidations provisions are based on an estimate of the likely costs on expiry of the respective leases and previous experience. The timing and valuation of the costs are uncertain due to potential changes to exit dates and the final liability which may be subject to negotiation with the landlord.

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 22 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	202,394	149,486

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 23 Share capital

	2022	2021
Ordinary share capital Issued and fully paid	£	£
Ordinary of £1 each	1,000	1,000
Preference of £1 each	4	4
	<u>1,004</u>	<u>1,004</u>

### 24 Other reserves

	2022	2021
	£	£
At the beginning and end of the year	(179,999)	(179,999)

### 25 Contingent liabilities

The company has entered into separate unlimited cross and multilateral guarantees in respect of any indebtedness between Nicholas Associates Holdings Limited, Nicholas Associates Group Limited, Ashley Kate HR Limited and Graduate Talent Solutions Limited, and their invoice discounting company in relation to amounts advanced under invoice finance agreements. The total contingent liability of the company under guarantees at 31 December 2022 was £4,630,191 (2021: £4,999,792).

### 26 Events after the reporting date

In February 2023 the company signed a new 5 year property lease which creates a right of use asset of £91,339 with corresponding liabilities payable over 5 years.

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 27 Related party transactions

##### **Mr N G W Cragg**

During the year the company loaned the director £934,900. The loan has no specific repayment terms and interest is being charged at 0.75%. Interest totaling £10,646 was paid during the year in respect of the loan. At the year end Mr Cragg owed £895,936 (2021: was owed £144,234) to the company. This amount is included within other receivables.

##### **Titans Rugby Limited (Previously Rotherham RUFC (2004) Ltd)**

During the year the company sponsored Titans Rugby Limited to the value of £18,333 (2021: £18,167) for whom Nicholas Associates Group Limited have a non-controlling shareholding. At the year end the amount owing to Titans Rugby Limited was £nil (2021: £nil).

##### **Badsley Moor Limited**

During 2020 the company received a loan of £40,000 from Badsley Moor Limited for whom Mr N Cragg is a director. Interest of 5% is being charged on this loan. The loan was fully repaid during the year. At the year end the amount owing to Badsley Moor Limited was £nil (2021: £31,442).

##### **E People Personnel Limited**

At the year end the company was owed £117,499 (2021: £252,473) by E People Personnel Limited, a company Mr B J Allen is a director of. This amount is included within other debtors.

#### 28 Controlling party

The company's ultimate parent company is Nicholas Associates Holdings Ltd. The controlling party is Mr N Cragg, the majority shareholder and a director of Nicholas Associates Holdings Ltd.

The results of the company are incorporated in the consolidated financial statements of Nicholas Associates Holdings Ltd. The consolidated accounts are available to the public from Companies House, Crown Way, Cardiff CF4 3UZ.

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 29 First year adoption

2022 is the first year that IFRS's have been adopted and the financial statements have been prepared under FRS 101. The date of transition was 1 January 2021 and the 2021 comparatives have been restated from the previous adopted Financial Reporting Standard 102.

##### Goodwill

In accordance with IFRS 1 paragraph C4 the company has elected to use the previous GAAP carrying amount of Goodwill at the date of transition.

##### Leases

The Company has elected to take advantage of the provisions of IFRS 1 paragraph D9 in respect of leases in place at the transition date. The initial lease liability is measured as the present value of the remaining lease payments, discounted using the company's incremental borrowing rate at the date of transition to IFRSs. The right of use asset is measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of transition to IFRSs.

##### Investments in subsidiaries

In accordance with IFRS 1 paragraph D15 the Company has elected to use deemed cost at the previous GAAP carrying amount to measure its investment in each subsidiary at the date of transition.

##### Financial Assets

In accordance with IFRS 1 paragraph B8, the company has assessed whether its financial assets meet the conditions in IFRS 9 paragraph 4.1.2 and 4.1.2A on the basis of the facts and conditions that exist at the date of transition.

#### 30 Transition adjustments

##### Reconciliation of equity

	1 January 2021 £	31 December 2021 £
Equity as previously reported	2,647,173	2,144,114
Adjustments arising from transition:		
Admin expenses	-	(8,680)
Lease interest	-	(9,452)
Corporation tax	240	3,685
Credit loss provision	(1,262)	(1,262)
Bad debt provision	46,997	46,997
Equity as restated	<u>2,693,148</u>	<u>2,175,402</u>

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 30 Transition adjustments

(Continued)

##### Reconciliation of profit for the financial period

	2021 £
Profit as previously reported	696,941
Adjustments arising from transition:	
Admin expenses	(8,680)
Lease interest	(9,452)
Corporation tax	3,445
Profit as restated	<u>682,254</u>

##### Reconciliation of equity

Notes	At 1 January 2021			At 31 December 2021		
	Previously reported £	Effect of transition £	As restated £	Previously reported £	Effect of transition £	As restated £
<b>Non-current assets</b>						
Goodwill	-	-	-	50,000	-	50,000
Other intangibles	148,360	-	148,360	120,691	-	120,691
Property, plant and equipment	182,285	316,735	499,020	194,464	392,153	586,617
Investments	29,597	-	29,597	29,597	-	29,597
	<u>360,242</u>	<u>316,735</u>	<u>676,977</u>	<u>394,752</u>	<u>392,153</u>	<u>786,905</u>
<b>Current assets</b>						
Trade and other receivables	15,467,590	27,188	15,494,778	11,774,004	32,536	11,806,540
Bank and cash	482,301	-	482,301	1,466,892	-	1,466,892
	<u>15,949,891</u>	<u>27,188</u>	<u>15,977,079</u>	<u>13,240,896</u>	<u>32,536</u>	<u>13,273,432</u>
<b>Creditors due within one year</b>						
Borrowings	(7,964,082)	-	(7,964,082)	(5,205,568)	-	(5,205,568)
Finance leases	-	(86,995)	(86,995)	-	(113,416)	(113,416)
Taxation	(106,896)	240	(106,656)	(191,167)	3,685	(187,482)
Other payables	(5,557,935)	(1,262)	(5,559,197)	(6,094,799)	(942)	(6,095,741)
	<u>(13,628,913)</u>	<u>(88,017)</u>	<u>(13,716,930)</u>	<u>(11,491,534)</u>	<u>(110,673)</u>	<u>(11,602,207)</u>
Net current assets	<u>2,320,978</u>	<u>(60,829)</u>	<u>2,260,149</u>	<u>1,749,362</u>	<u>(78,137)</u>	<u>1,671,225</u>
Total assets less current liabilities	<u>2,681,220</u>	<u>255,906</u>	<u>2,937,126</u>	<u>2,144,114</u>	<u>314,016</u>	<u>2,458,130</u>

# NICHOLAS ASSOCIATES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 30 Transition adjustments

(Continued)

Notes	At 1 January 2021			At 31 December 2021		
	Previously reported £	Effect of transition £	As restated £	Previously reported £	Effect of transition £	As restated £
<b>Creditors due after one year</b>						
Borrowings	(34,047)	-	(34,047)	-	-	-
Finance leases	-	(177,131)	(177,131)	-	(245,928)	(245,928)
	<u>(34,047)</u>	<u>(177,131)</u>	<u>(211,178)</u>	<u>-</u>	<u>(245,928)</u>	<u>(245,928)</u>
<b>Provisions for liabilities</b>						
Other provisions	-	(32,800)	(32,800)	-	(36,800)	(36,800)
<b>Net assets</b>	<u>2,647,173</u>	<u>45,975</u>	<u>2,693,148</u>	<u>2,144,114</u>	<u>31,288</u>	<u>2,175,402</u>
<b>Equity</b>						
Share capital	1,004	-	1,004	1,004	-	1,004
Other reserves	(179,999)	-	(179,999)	(179,999)	-	(179,999)
Profit and loss	2,826,168	45,975	2,872,143	2,323,109	31,288	2,354,397
<b>Total equity</b>	<u>2,647,173</u>	<u>45,975</u>	<u>2,693,148</u>	<u>2,144,114</u>	<u>31,288</u>	<u>2,175,402</u>