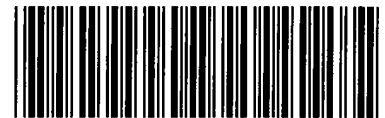


Handle Payroll Solutions Limited
Annual report and financial statements
For the year ended 31 December 2018



55 Loudoun Road
St John's Wood
London NW8 0DL

TUESDAY



LD3 *L88VA2NS* #24
02/07/2019
COMPANIES HOUSE

HANDLE PAYROLL SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	S Walker P Tafler
Company number	08800655
Registered office	164-182 Oxford Street London United Kingdom W1D 1NN
Auditor	MGR Weston Kay LLP 55 Loudoun Road St John's Wood London NW8 0DL
Bankers	Barclays Bank Plc 9 Portman Square London W1A 3AL

HANDLE PAYROLL SOLUTIONS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 17

HANDLE PAYROLL SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report and financial statements for the year ended 31 December 2018.

Fair review of the business

The company increased its turnover by 27% during the year under review. The company's direct costs increased by 28% and the administrative expenses increased by 27%. The directors are satisfied with the results for the year and the company's future trading prospects.

Principal risks and uncertainties

The directors consider the main risks faced by the business are those relating to the cyclical nature of the industry in which it operates, retaining staff to deliver its growth plans and ever-changing employment law and regulations for temporary workers that are often specific to individual business sectors.

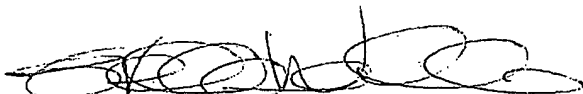
Development and performance

In the opinion of the directors, the company is in a strong position at the year end having enjoyed good growth during the year.

Key performance indicators

The group's management regularly monitor the performance of the business through monthly management meetings including management accounts, records of consultant productivity and client feedback. They work closely with relevant specialists to ensure that the risks faced by the business are mitigated as far as possible. The main key performance indicators are sales growth highlighted above, gross profit margin which stood at 4.23% and the net current asset ratio which stood at 1.20.

On behalf of the board



S Walker

Director

7 June 2019

HANDLE PAYROLL SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of an employment payroll bureau and the provision of temporary personnel.

Directors

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

S Walker

P Tafler

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £100,000. The directors do not recommend payment of a final dividend.

Auditor

The auditor, MGR Weston Kay LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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



S Walker

Director

7 June 2019

HANDLE PAYROLL SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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;
- 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.

HANDLE PAYROLL SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HANDLE PAYROLL SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Handle Payroll Solutions Limited (the 'company') for the year ended 31 December 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 31 December 2018 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

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

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

Other information

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

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

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.

HANDLE PAYROLL SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HANDLE PAYROLL SOLUTIONS LIMITED

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 and the directors' report.

We have nothing to report in respect of the following matters where 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.

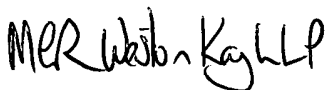
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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.

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



Nigel Walfisz FCA (Senior Statutory Auditor)

for and on behalf of MGR Weston Kay LLP

Chartered Accountants

Statutory Auditor

55 Loudoun Road

St John's Wood

London

NW8 0DL

12 June 2019

HANDLE PAYROLL SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	2	29,855,369	23,468,453
Cost of sales		(28,591,861)	(22,378,315)
Gross profit		1,263,508	1,090,138
Administrative expenses		(744,675)	(559,200)
Operating profit	3	518,833	530,938
Interest payable and similar expenses	5	(39,005)	(18,901)
Profit before taxation		479,828	512,037
Taxation	6	(93,614)	(98,776)
Profit on ordinary activities after taxation	15	386,214	413,261

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

HANDLE PAYROLL SOLUTIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Profit for the year	386,214	413,261
Other comprehensive income	-	-
Total comprehensive income for the year	<u>386,214</u>	<u>413,261</u>

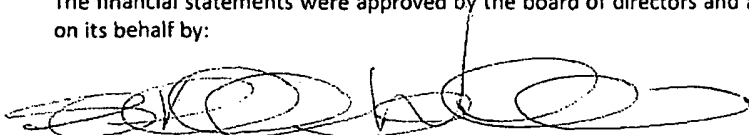
HANDLE PAYROLL SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	8		-		360
Current assets					
Debtors	9	6,362,098		5,790,560	
Cash at bank and in hand		99,677		23,980	
		6,461,775		5,814,540	
Creditors: amounts falling due within one year	10	(5,372,092)		(5,011,431)	
Net current assets			1,089,683		803,109
Total assets less current liabilities			1,089,683		803,469
Capital and reserves					
Called up share capital	14		100		100
Profit and loss reserves	15		1,089,583		803,369
Total equity			1,089,683		803,469

The financial statements were approved by the board of directors and authorised for issue on 7 June 2019 and are signed on its behalf by:



S Walker
Director

Company Registration No. 08800655

HANDLE PAYROLL SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017		100	455,108	455,208
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	413,261	413,261
Dividends	7	-	(65,000)	(65,000)
Balance at 31 December 2017		100	803,369	803,469
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	386,214	386,214
Dividends	7	-	(100,000)	(100,000)
Balance at 31 December 2018		100	1,089,583	1,089,683

HANDLE PAYROLL SOLUTIONS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19	455,453		(1,089,043)	
Interest paid		(39,005)		(18,901)	
Income taxes paid		(98,777)		(69,394)	
Net cash inflow/(outflow) from operating activities		317,671		(1,177,338)	
Net cash used in investing activities			-		-
Financing activities					
Repayment of borrowings		(495,301)		(69,784)	
Dividends paid		(100,000)		(65,000)	
Net cash used in financing activities		(595,301)		(134,784)	
Net decrease in cash and cash equivalents		(277,630)		(1,312,122)	
Cash and cash equivalents at beginning of year		(1,913,604)		(601,482)	
Cash and cash equivalents at end of year		(2,191,234)		(1,913,604)	
Relating to:					
Cash at bank and in hand		99,677		23,980	
Bank overdrafts included in creditors payable within one year		(2,290,911)		(1,937,584)	

HANDLE PAYROLL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. For temporary contracts, turnover is recognised as the placement progresses.

1.3 Tangible fixed assets

Tangible fixed assets 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:

Computer equipment	25% straight line basis
--------------------	-------------------------

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 credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible 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).

1.5 Taxation

The tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

1.6 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 stock or fixed 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.

1.7 Retirement benefits

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

HANDLE PAYROLL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
Sales	29,855,369	23,468,453

3 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	13,333	10,750
Depreciation of owned tangible fixed assets	360	360

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 440 (2017: 340).

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	28,992,543	22,657,935
Social security costs	42,567	30,166
Pension costs	35,024	-
	29,070,134	22,688,101

5 Interest payable and similar expenses

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank loans and overdrafts	39,005	18,901

6 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	93,614	98,776

HANDLE PAYROLL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	479,828	512,037
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	91,167	98,567
Tax effect of expenses that are not deductible in determining taxable profit	2,378	209
Depreciation in excess of permanent capital allowances	69	-
Taxation charge for the year	93,614	98,776

7 Dividends

	2018 £	2017 £
Interim paid	100,000	65,000

8 Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2018 and 31 December 2018	1,440
Depreciation and impairment	
At 1 January 2018	1,080
Depreciation charged in the year	360
At 31 December 2018	1,440
Carrying amount	
At 31 December 2018	-
At 31 December 2017	360

HANDLE PAYROLL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Debtors		2018	2017
		£	£
Amounts falling due within one year:			
Trade debtors		5,824,818	5,115,918
Other debtors		9,245	4,336
Prepayments and accrued income		528,035	670,306
		<u>6,362,098</u>	<u>5,790,560</u>
10 Creditors: amounts falling due within one year		2018	2017
	Notes	£	£
Bank loans and overdrafts	11	2,290,911	1,937,584
Other borrowings	11	255,976	751,277
Trade creditors		385,928	377,178
Corporation tax		93,613	98,776
Other taxation and social security		1,053,105	544,095
Other creditors		244,367	211,136
Accruals and deferred income		1,048,192	1,091,385
		<u>5,372,092</u>	<u>5,011,431</u>
11 Loans and overdrafts		2018	2017
		£	£
Bank overdrafts		2,290,911	1,937,584
Loans from related parties		255,976	751,277
		<u>2,546,887</u>	<u>2,688,861</u>
Payable within one year		<u>2,546,887</u>	<u>2,688,861</u>

The bank loans and overdrafts totalling £2,290,911 (2017: £1,937,584) are secured by a fixed and floating charge against the assets of the company.

HANDLE PAYROLL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

12 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	35,024	-

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.

13 Share-based payment transactions

During the year, the company granted an employee the option to subscribe to a maximum of 250,000 'B' Ordinary Shares over a maximum term of 10 years, at a price of £0.86 per share. 111,111 of the option shares vested immediately after the grant date. The remaining 138,889 option shares are subject to performance conditions. At the year end, the option has not been exercised.

The directors have calculated that the fair value of the EMI share options are not material and therefore no share based payments have been recognised in these financial statements.

14 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1 each	100	100
	<u>100</u>	<u>100</u>

HANDLE PAYROLL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15 Profit and loss reserves

	2018 £	2017 £
At the beginning of the year	803,369	455,108
Profit for the year	386,214	413,261
Dividends	(100,000)	(65,000)
At the end of the year	<u>1,089,583</u>	<u>803,369</u>

16 Related party transactions

During the year, the company incurred costs of £242,392 (2017: £107,892) from Handle Recruitment Limited and paid a management charge to Handle Recruitment Limited for services carried out on the company's behalf of £198,000 (2017: £180,000). At the year end £44,768 (2017: £21,538) is included in trade creditors as being owed to Handle Recruitment Limited.

At the year end, an amount of £255,976 (2017: £751,277) was owed to Handle Recruitment Limited. S Walker and P Tafler are directors of and have a material interest in Handle Recruitment Limited.

17 Controlling party

The ultimate controlling party is S Walker by virtue of her shareholding in the company.

18 General information

Handle Payroll Solutions Limited is a company limited by shares incorporated in England and Wales. The registered office is 164-182 Oxford Street, London, United Kingdom, W1D 1NN. 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 £.

HANDLE PAYROLL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

19 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	386,214	413,261
Adjustments for:		
Taxation charged	93,614	98,776
Finance costs	39,005	18,901
Depreciation and impairment of tangible fixed assets	360	360
Movements in working capital:		
(Increase) in debtors	(571,538)	(1,948,726)
Increase in creditors	507,798	328,385
Cash generated from/(absorbed by) operations	<u>455,453</u>	<u>(1,089,043)</u>