Draefern Limited

Annual report and financial statements

Registered number 02066103

31 December 2017

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Strategic report

Principal activities

Draefern Limited's ("the company") principal activity is that of an employment agency.

Business model

The company provides services to its clients through two principal delivery channels:

1. A nationwide network of (predominantly) high street based branches supplying temporary and permanent staff to a combination of local businesses and larger corporate clients.
2. Its SMS (Site Managed Services) division within which large numbers of temporary workers are supplied and managed through teams of Gi Group people situated permanently on the client's own premises. This model mainly serves the needs of larger, corporate clients with significant year round requirements for temporary labour.

Value is added to the basic recruitment services provided in a range of ways, dependent on the requirements of the client. Typically these might include: provision of management information, HR consultancy services, shift planning, skills training and provision of apprenticeships.

Business review and results

The company has had a profitable year delivering an operating profit before depreciation of £113,676 (2016 loss of £483,992) resulting in an operating profit of £28,613 (2016 loss of £590,352). The net assets of the company at year end were £3,709,990 (2016 £3,786,578).

Our business continues to benefit from strong long-term relationships with major blue chip clients and these once again provided the foundation for the company's performance during the year, with new clients being added to our already strong portfolio. As part of a large multi-national group, we have continued moving forward to develop more relationships of this kind, including with companies operating on an international footing. The groundwork for future approaches continued during the course of 2017.

Our reputation as an established, legally compliant, ethical and reliable supplier is important in reassuring major companies that we are a qualified, suitable partner for the supply of temporary labour – particularly in our increasingly regulated environment.

With a robust sales pipeline, the directors remain optimistic about the future performance of the Gi Group ("the Group").

Operating Systems

Progress was made during the year in the development of plans for improving our front and back office operating systems and the supply of higher quality management information to our clients. The Board sees this as a key area of importance going forward.

Key Performance Indicators

The company continues to operate a number of Key Performance Indicators (KPI's), both financial and non-financial, and all key goals in this area were again achieved this year.

The usual financial KPIs and ratios, mainly EBITDA, Debtor days and Gross Profit per FTE, are carefully measured in the business, with key improvements this year versus last being accounted for both by improving economic conditions and keener efficiencies in our operating divisions.

Non-financial KPIs embrace the normal measures used in managing a predominantly sales focused organisation: activity levels, sales conversion ratios, sales volumes and values, client retention statistics etc. All these improved again on prior year – largely for the reasons already noted above.

Strategic report *(continued)*

Principal risks and uncertainties

Our business continues to benefit from strong long-term relationships with major clients and these continue to underpin the company's strong trading results. As part of a large international group, the company is well-placed to add to its portfolio of such clients, though this of course is accompanied by the risks attendant in any competitive, tender based business, subject to increasing attention by professional procurement departments.

Compliance with all relevant regulations continues to be a high priority for the Board, and the company's reputation as an ethical, reliable and substantial entity continue to make it an attractive partner for major – often international – clients.

Future developments

The Board anticipates a period ahead in which the economic situation will continue to improve and in which, with its robust pipeline of prospective business, the company should continue to enjoy solid growth.

Investment will continue to be made in the IT infrastructure of the company to ensure its systems meet the increasing demands of the market in this important area.

The company continues to operate a fully-fledged Corporate Social Responsibility programme. This is seen by the Board as an increasingly important focus as clients place more emphasis on this in choosing suppliers.

On behalf of the Board

B White
Director
4 April 2018

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

Results and dividends

The loss for the financial year amounted to £76,588 (2016: loss £686,055).

The directors have not paid a dividend for the year (2016: £nil).

Research and development

The company performed no research and development in the year.

Financial risk management

The Group has established a risk and financial management framework whose primary objective is to ensure sufficient working capital exists and to monitor the management of risk at a business unit level.

The Group aims to mitigate credit and liquidity risk by managing cash generation by its operations and applying cash collection targets. The Group also manages liquidity via a Group invoice discounting facility.

Directors

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

J Hardy		
P Smith		
B White	appointed	27/04/2017
J Watts	resigned	27/04/2017

None of the directors who held office at the year end had any disclosable interest in the shares of the company.

Disclosure of information to auditors

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

Employees

The company's aim for all members of staff and applicants for employment is to fit the qualifications, aptitude and ability of each individual to the appropriate job, and to provide equal opportunity, regardless of sex, religion or ethnic origin. The company does all that is practicable to meet its responsibilities towards the employment and training of disabled people. In the event that an employee becomes disabled, every effort will be made to provide continuity of employment in the same job or a suitable alternative.

The company involves staff in the decision making process and communicates regularly with them during the year. Their involvement in the company's performance is encouraged with an employee bonus scheme.

Political contributions

The company made no political donations or incurred any political expenditure during the year.

Directors' report *(continued)*

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic report on page 1 and 2.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning the re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board

B White
Director
4 April 2018

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Draefern Limited

Report on the audit of the financial statements

Opinion

In our opinion, Draefern Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2017; the Statement of Comprehensive Income; the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Nicholas Cook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield
4 April 2018

Statement of Comprehensive Income
for the year ended 31 December 2017

	Note	2017	2016
		£	£
Turnover	2	**42,426,540**	37,957,365
Cost of sales		**(37,233,492)**	(32,612,255)
Gross profit		**5,193,048**	5,345,110
Administrative expenses		**(5,164,435)**	(5,935,462)
Operating profit / (loss)		**28,613**	(590,352)
Interest payable and similar charges	6	**(114,539)**	(91,072)
Loss on ordinary activities before taxation		**(85,926)**	(681,424)
Tax on loss on ordinary activities	7	**9,338**	(4,631)
Loss for the financial year		**(76,588)**	(686,055)
Other comprehensive income for the year, net of income tax		**-**	-
Total comprehensive expense for the year		**(76,588)**	(686,055)

Balance Sheet
as at 31 December 2017

	Note	**2017** £	2016 £
Fixed assets			
Tangible fixed assets	8	**154,605**	163,278
		154,605	163,278
Current assets			
Debtors: amounts falling due within one year	9	**21,066,711**	21,228,030
Cash and cash equivalents		**74,991**	85,666
		21,141,702	21,313,696
Creditors: amounts falling due within one year	11	**(17,586,317)**	(17,690,396)
Net current assets		**3,555,385**	3,623,300
Net assets		**3,709,990**	3,786,578
Capital and reserves			
Called up share capital	12	**10,000**	10,000
Profit and loss account		**3,699,990**	3,776,578
Total Shareholders' funds		**3,709,990**	3,786,578

The financial statements on pages 8 to 21 were approved by the board of directors on 4 April 2018 and signed on its behalf by:

B White
Director

The notes on pages 11 to 21 form an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2017

	Called up share capital £	Profit and loss account £	Total shareholder's funds £
Balance at 1 January 2016	10,000	4,462,633	4,472,633
Total comprehensive income for the year			
Loss for the financial year	-	(686,055)	(686,055)
Other comprehensive income	-	-	-
Total comprehensive expense for the year	-	(686,055)	(686,055)
Balance at 31 December 2016	**10,000**	**3,776,578**	**3,786,578**

	Called up share capital £	Profit and loss account £	Total shareholder's funds £
Balance at 1 January 2017	**10,000**	**3,776,578**	**3,786,578**
Total comprehensive expense for the year			
Loss for the financial year	-	(76,588)	(76,588)
Other comprehensive income	-	-	-
Total comprehensive expense for the year	-	(76,588)	(76,588)
Balance at 31 December 2017	**10,000**	**3,699,990**	**3,709,990**

Notes
(forming part of the financial statements)

1 Accounting policies

Draefern Limited (the "company") is a private company limited by shares and incorporated and domiciled in England.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1. The financial statements have been prepared in accordance with the Companies Act 2006.

The company is a wholly owned subsidiary of Gi Recruitment Limited, and of its ultimate parent Gi Group Holdings Recruitment Limited. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Gi Recruitment Limited. The address of the parent's registered office is Draefern House, Dunston Court, Dunston Road, Chesterfield, Derbyshire, S41 8NL. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash flow statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Gi Recruitment Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

1.1 Foreign Exchange Policy

Foreign currency balances have been restated at the 31st December 2017 exchange rate, with any differences being realised in the statement of comprehensive income for the year.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

The directors have prepared the financial statements on the basis of a going concern.

1.4 Critical accounting estimates and judgements

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 9 for the net carrying amount of the debtors and associated impairment provision.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Basic financial instruments

Trade and other debtors / creditors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- fixtures and fittings 3 - 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.7 Employee benefits

Defined contribution plans and other long term employee benefits

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

1.8 Turnover

Turnover comprises the amount derived from services falling within the company's activities after deduction of trade discounts and excluding value added tax.

Notes *(continued)*

1 Accounting policies *(continued)*

1.9 Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in the statement of comprehensive income over the term of the lease as an integral part of the total lease expense.

Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the statement of comprehensive income (see foreign currency accounting policy).

Interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.10 Taxation

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

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

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

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

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

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

Notes *(continued)*

2 Turnover

Turnover is attributable to one class of business. All turnover arose within the United Kingdom.

3 Expenses and auditors' remuneration

Included in loss are the following:

	2017 £	2016 £
Depreciation of tangible fixed assets	**85,063**	106,360
Operating lease rentals – land and buildings	**309,264**	309,664
Operating lease rentals – plant and machinery	**126,243**	158,735

Auditors' remuneration:

	2017 £	2016 £
Audit of these financial statements	**18,010**	17,500
Taxation compliance services for the company	**4,465**	4,465

Auditors' remuneration and tax work related to this company are paid for by Gi Group Recruitment Limited.

Notes *(continued)*

4 Staff numbers and costs

The monthly average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Operational staff	**4,286**	4,130
Permanent administration staff	**130**	134
	4,416	4,264

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	**38,252,227**	34,194,486
Social security costs	**2,537,431**	2,094,179
Other pension costs	**169,027**	152,354
	40,958,685	36,441,019

5 Directors' remuneration

	2017	2016
	£	£
Directors' remuneration	**178,840**	179,414
Company contributions to money purchase pension plans	**14,280**	14,210

The aggregate of remuneration of the highest paid Director was £178,840 *(2016: £179,414)*, and company pension contributions of £14,280 *(2016: £14,210)* were made to a money purchase scheme on his behalf.

	Number of directors	
	2017	2016
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**1**	1
Defined benefit schemes	-	-

Notes *(continued)*

6 Interest payable and similar charges

	2017 £	2016 £
Bank interest	**114,539**	91,072

7 Tax on loss

Total tax income recognised in the profit and loss

	2017 £	2016 £
Current tax		
Current tax on loss for the year	-	-
Adjustment in respect of previous years	-	(17,564)
Total current tax	-	(17,564)
Deferred tax (see note 10)		
Origination and reversal of timing differences	**(8,766)**	1,289
Adjustments in respect of prior years	**(1,595)**	20,345
Effect of tax rate change on opening balance	**1,023**	561
Total deferred tax	**(9,338)**	22,195
Total tax	**(9,338)**	4,631

		2017			2016	
	£	£	£	£	£	£
	Current tax	**Deferred tax**	**Total tax**	Current tax	Deferred tax	Total tax
Recognised in profit and loss	-	**(9,338)**	**(9,338)**	(17,564)	22,195	4,631
Total tax	-	**(9,338)**	**(9,338)**	(17,564)	22,195	4,631

Notes *(continued)*

7 Tax on loss *(continued)*

Reconciliation of effective tax rate

	2017	2016
	£	£
Loss before taxation	**(85,926)**	(681,424)
Tax on loss at standard UK tax rate of 19.25% (2016: 20%)	**(16,541)**	(136,285)
Expenses not deductible for tax purposes	**2,939**	8,072
Transfer pricing adjustments	**(801)**	832
Group relief claimed	**5,634**	128,670
Adjustments in respect of prior years	**(1,592)**	2,781
Difference between current and deferred tax rate	**1,023**	561
Total tax (income) / expense included in profit or loss	**(9,338)**	4,631

A change in the UK corporation tax rate from 20 per cent to 19 per cent is effective from 1 April 2017, and to 18 per cent starting from 1 April 2020. A further change to the UK corporation tax rate has also been substantively enacted, which proposes to reduce the rate by a further 1 per cent to 17 per cent from 1 April 2020.

Notes *(continued)*

8 Tangible fixed assets

	Fixtures & fittings £
Cost	
Balance at 1 January 2017	577,743
Additions	76,390
Disposals	(262,590)
Balance at 31 December 2017	391,543
Accumulated depreciation	
Balance at 1 January 2017	414,465
Depreciation charge for the year	85,063
Disposals	(262,590)
Balance at 31 December 2017	236,938
Net book value	
At 31 December 2017	154,605
At 1 January 2017	163,278

9 Debtors: amounts falling due within one year

	2017 £	2016 £
Trade debtors	**18,730,143**	18,412,236
Amounts owed by group undertakings	**1,957,115**	2,461,283
Deferred tax asset (see note 10)	**21,076**	11,738
Corporation tax	**150,000**	150,020
Prepayments and accrued income	**208,377**	192,753
	21,066,711	21,228,030

Trade debtors are stated after provisions for impairment of £72,222 (2016 £54,295). Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

Notes *(continued)*

10 Deferred tax asset

There is a deferred tax asset of £21,076 (2016: £11,738). The elements of deferred tax are as follows:

	Provided 31 December 2017 £	Provided 31 December 2016 £
Brought forward	**11,738**	33,933
Adjustment in respect of prior years	**1,595**	(20,345)
Charged to Profit and Loss account	**7,743**	(1,850)
Carried Forward	**21,076**	11,738
Fixed asset timing differences	**16,481**	3,395
Short term timing differences	**4,595**	8,343
	21,076	11,738

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	**1,300,865**	1,193,652
Other taxation and social security	**5,314,604**	5,266,978
Bank loans and overdrafts	**10,443,726**	10,709,085
Amounts owed to group undertakings	**340,195**	311,350
Other creditors	**116,053**	84,690
Accruals and deferred income	**70,874**	124,641
	17,586,317	17,690,396

Bank loans and overdrafts are secured against the company's trade debtors. Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

Notes *(continued)*

12 Capital and reserves

Called up Share Capital

	2017	2016
	£	£
Authorised		
1,300,000 ordinary shares of 1p each (2016: 1,300,000)	**13,000**	13,000
Allotted, called up and fully paid		
1,000,000 ordinary shares of 1p each (2016: 1,000,000)	**10,000**	10,000

13 Operating leases

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods :

	2017	2016
Payments Due:	**£**	£
Less than one year	**201,837**	133,107
Between one and five years	**286,046**	68,805
More than five years	-	52,850
	487,883	254,762

During the year £435,507 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2016: £468,399).

14 Employee benefits

The company operates a defined contribution pension scheme. The total expense relating to this plan in the current year was £169,027 (2016: £152,354).

At 31 December 2017 contributions amounting to £44,970 (2016: £36,076) were payable to the scheme and are included in creditors.

Notes *(continued)*

15 Ultimate parent company and parent company of larger group

The company is a subsidiary undertaking of Gi Recruitment Limited, a company incorporated in the UK.

The smallest group in which the results of the company are consolidated is Gi Recruitment Limited, a company incorporated in the UK, and whose financial statements are publicly available. Copies can be requested from the Company Secretary at Draefern House, Dunston Court, Dunston Road, Chesterfield, Derbyshire, S41 8NL.

The largest group in which the results of the company are consolidated is SCL Holdings S.p.A, a company incorporated in Italy, which is also the ultimate parent undertaking and controlling party, and whose financial statements are available to the public. Copies can be requested from Milano Via Cosimo del Fante 4, 20122, Milano.

As a subsidiary undertaking of SCL Holdings S.p.A the company has taken advantage of the exemption in FRS 102 Section 33 "Related party disclosures" from disclosing transactions with other members of the group headed by SCL Holdings S.p.A.