Gi Recruitment Limited

Annual report and consolidated financial statements

Registered number 02836088

31 December 2015

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Strategic Report

Principal activities

The group's principal activity is that of holding company of several trading subsidiaries.

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 group has had another profitable year delivering an operating profit before depreciation of £3.4m *(2014: £3.5m)* resulting in an operating profit of £3.2m *(2014: £3.3m).*

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. Now part of a large multi-national group we have the opportunity moving forward to develop more relationships of this kind, including with companies operating on an international footing. The groundwork for such approaches was laid during the course of 2015.

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 Group.

Operating Systems

Continuing 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, both financial and non-financial, and all key goals in this area were again achieved this year.

The usual financial KPIs and ratios 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. Now 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.

During the course of 2016, the HMRC are stopping travel & subsistence schemes. This will have a minor impact on profitability.

From April 2016, the government will introduce the 'National Living Wage' which will affect all workers over the age of 25 who earn the minimum wage, this will increase costs within the industry which will be taken into account in future commercial negotiations.

By order of the board

J Watts
Director

28th April 2016

Directors' report

Research and development

The group had no research and development expenditure in the current year or prior year.

Financial instruments

The Group has established a risk and financial management framework whose primary objective is to ensure sufficient working capital exists and 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.

Proposed dividend

Dividends paid during the year comprise a final dividend of £nil in respect of the previous year ended 31 December 2014, together with an interim dividend in respect of the year ended 31 December 2015 of £nil *(2014:£5.5m)*.

Directors

The directors who held office during the year were as follows:
J Hardy
J Watts

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 period. Their involvement in the company's performance is encouraged with an employee bonus scheme.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

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

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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

J Watts
Director

Draefern House
Dunston Court
Dunston Road
Chesterfield
Derbyshire
S41 8NL
28th April 2016

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

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Gi Recruitment Limited

We have audited the financial statements of Gi Recruitment Limited for the year ended 31 December 2015 set out on pages 8 to 25. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial* Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Independent auditor's report to the members of Gi Recruitment Limited *(continued)*

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

David Morritt

David Morritt (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

29 April 2016

Consolidated Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Turnover	2	**269,163**	274,237
Cost of sales		**(247,994)**	(252,877)
Gross profit		**21,169**	21,360
Administrative expenses		**(18,012)**	(18,093)
Group operating profit		**3,157**	3,267
Other interest receivable and similar income	6	**75**	77
Interest payable and similar charges	7	**(381)**	(292)
Profit on ordinary activities before taxation		**2,851**	3,052
Tax on profit on ordinary activities	8	**(607)**	(674)
Profit for the financial year		**2,244**	2,378
Other comprehensive income for the year, net of income tax		**-**	-
Total comprehensive income for the year		**2,244**	2,378

Consolidated Balance Sheet
at 31 December 2015

	Note	**2015**	2014
		£000	£000
Fixed assets			
Tangible assets	*9*	**421**	460
Current assets			
Debtors (including £6,397,000 *(2014: £6,397,000)* due after more than one year)	*11*	**55,936**	52,012
Cash		**193**	2,672
		56,129	54,684
Creditors: amounts falling due within one year	*12*	**(41,258)**	(42,096)
Net current assets		**14,871**	12,588
Net assets		**15,292**	13,048
Capital and reserves			
Called up share capital	*14*	**70**	70
Share premium account		**-**	-
Merger reserve		**583**	583
Profit and loss account		**14,639**	12,395
Shareholders' funds		**15,292**	13,048

These financial statements were approved by the board of directors on 28th April 2016 and were signed on its behalf by:

J Watts
Director

Company registered number: 02836088

Company Balance Sheet
at 31 December 2015

	Note	**2015**	2014
		£000	£000
Fixed assets			
Investments	*10*	**20**	20
		20	20
Current assets			
Debtors	*11*	**6,536**	6,536
		6,536	6,536
Creditors: amounts falling due within one year	*12*	**(6,602)**	(6,482)
Net current assets		**(66)**	54
Net (liabilities)/assets		**(46)**	74
Capital and reserves			
Called up share capital	*14*	**70**	70
Share premium account		**-**	-
Profit and loss account		**(116)**	4
Shareholders' (deficit)/funds		**(46)**	74

These financial statements were approved by the board of directors on 28th April 2016 and were signed on its behalf by:

J Watts
Director

Company registered number: 02836088

Consolidated Statement of Changes in Equity

	Called up Share capital £000	Share Premium account £000	Merger reserve £000	Profit and loss account £000	Total shareholder's equity £000
Balance at 1 January 2014	70	-	583	15,517	16,170
Total comprehensive income for the period					
Profit or loss	-	-	-	2,378	2,378
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,378	2,378
Dividends	-	-	-	(5,500)	(5,500)
Total contributions by and distributions to owners	-	-	-	(5,500)	(5,500)
Balance at 31 December 2014	**70**	**-**	**583**	**12,395**	**13,048**

	Called up Share capital £000	Share Premium account £000	Merger reserve £000	Profit and loss account £000	Total shareholder's equity £000
Balance at 1 January 2015	70	-	583	12,395	13,048
Total comprehensive income for the period					
Profit or loss	-	-	-	2,244	2,244
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,244	2,244
Balance at 31 December 2015	**70**	**-**	**583**	**14,639**	**15,292**
Set aside for dividends declared after the reporting period				-	-
Total				**14,639**	**15,292**

Company Statement of Changes in Equity

	Called up Share capital £000	Share Premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	70	-	89	159
Total comprehensive income for the period				
Profit or loss	-	-	5,415	5,415
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	5,415	5,415
Transactions with owners, recorded directly in equity				
Dividends	-	-	(5,500)	(5,500)
Total contributions by and distributions to owners	-	-	(5,500)	(5,500)
Balance at 31 December 2014	70	-	4	74

	Called up Share capital £000	Share Premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2015	70	-	4	74
Total comprehensive income for the period				
Profit or loss	-	-	(120)	(120)
Total comprehensive income for the period	-	-	(120)	(120)
Balance at 31 December 2015	**70**	**-**	**(116)**	**(46)**
Set aside for dividends declared after the reporting period				-
Total			(116)	(46)

Consolidated Cash Flow Statement
For the year ended 31 December 2015

	Note	2015 £000	2014 £000
Cash flows from operating activities			
Profit for the year		**2,244**	2,378
Adjustments for:			
Depreciation	9	**257**	276
Foreign exchange gains		**(75)**	-
Interest receivable and similar income		**-**	(77)
Interest payable and similar charges		**381**	292
Taxation		**607**	674
		3,414	3,543
(Increase)/decrease in trade and other debtors		**(3,935)**	(946)
(Decrease)/increase in trade and other creditors		**(4,591)**	3,765
		(5,112)	6,362
Interest paid		**(306)**	(215)
Tax paid		**(581)**	(665)
Net cash from operating activities		**(5,999)**	5,482
Cash flows from investing activities			
Acquisition of tangible fixed assets	9	**(218)**	(153)
Net cash from investing activities		**(218)**	(153)
Cash flows from financing activities			
Proceeds from invoice discounting facility	12	**3,738**	3,287
Dividends paid		**-**	(5,500)
Net cash from financing activities		**3,738**	(2,213)
Net (decrease)/increase in cash and cash equivalents		**(2,479)**	3,116
Cash and cash equivalents at 1 January		**2,672**	(444)
Cash and cash equivalents at 31 December		**193**	2,672

Reconciliation of net debt	At start of period £000	Cash flow £000	At end of period £000
Cash	2,672	(2,479)	193
Bank facilities and overdraft	(16,802)	(3,738)	(20,540)
	(14,130)	(6,217)	(20,347)

Notes
(forming part of the financial statements)

1 Accounting policies

Gi Recruitment Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These Group and parent company 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 £1,000.

In the transition to FRS 102 from old UK GAAP, the Group has made no measurement and recognition adjustments.

In order to better reflect the split between cash and financing facilities the cash flow statement has been updated to reconcile to cash and cash equivalents rather than a net debt position.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1st January 2014 have not been restated.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- 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 periods presented in these financial statements.

1.1 Foreign exchange policy

Foreign currency balances in the balance sheet have been restated at the 31st December exchange rate, with any differences being realised in the profit and loss account for the period, amounts included in the profit and loss account have been retranslated at an average rate 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 accounts on the basis of a going concern.

1.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2015. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

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.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

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 profit and loss account 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:

- Leasehold improvements 5 years
- 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.

Notes *(continued)*

1 Accounting policies *(continued)*

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 profit and loss account in the periods during which services are rendered by employees.

1.8 Turnover

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

Turnover for the period was derived from the group's principal activity. The whole of the turnover is attributable to the UK market.

1.9 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account 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 profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and 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 profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. 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 profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

Deferred tax is 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.

2 Turnover

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

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2015 £000	2014 £000
Impairment loss on other debtors and prepayments	-	-
Depreciation and other amounts written off tangible fixed assets	257	276
Operating lease rentals – land and buildings	617	594
Operating lease rentals – plant and machinery	594	608

Auditor's remuneration:

	2015 £000	2014 £000
Audit of these financial statements	5	5
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	38	38
Audit of financial statements of the parent of the company	1	1
Taxation compliance services for the company	1	1
Taxation work for the subsidiaries of the company	22	18
Taxation work for the parent companies	1	1

Auditor's remuneration and tax work are paid for by Gi Group Recruitment Ltd.

Notes *(continued)*

4 Staff numbers and costs

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

	Number of employees	
	2015	2014
Operational staff	**14,228**	14,537
Permanent administration staff	**329**	320
	14,557	14,857

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£000	£000
Wages and salaries	**243,203**	247,829
Social security costs	**16,041**	17,524
Contributions to defined contribution plans	**1,157**	1,137
	260,401	266,490

5 Directors' remuneration

No directors were remunerated by the Company in both the current and prior year.

During the year, costs of £nil (*2014: £nil*) were incurred from third parties for the services of directors.

Notes *(continued)*

6 Other interest receivable and similar income

	2015	2014
	£000	£000
Interest receivable on intercompany loan	**-**	77
Foreign exchange gain on intercompany balance	**75**	-
Total interest receivable and similar income	**75**	77

7 Interest payable and similar charges

	2015	2014
	£000	£000
Interest payable on invoice discounting facility	**381**	292
Total other interest payable and similar charges	**381**	292

8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity.

	2015	2014
	£000	£000
Current tax		
Current tax on income for the period	**598**	609
Adjustments in respect of prior periods	**(2)**	69
Total current tax	**596**	678
Deferred tax (see note 13)		
Origination and reversal of timing differences	**(8)**	(4)
Adjustments in respect of prior periods	**1**	-
Change in tax rate	**18**	-
Total deferred tax	11	(4)
Total tax	**607**	674

Reductions in the UK corporation tax from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future tax charge accordingly.

Notes *(continued)*

8 Taxation *(continued)*

	2015			2014		
	£000 **Current tax**	**£000** **Deferred tax**	**£000** **Total tax**	£000 Current tax	£000 Deferred tax	£000 Total tax
Recognised in Profit and loss account	**596**	**11**	**607**	678	(4)	674
Recognised in other comprehensive income	**-**	**-**	**-**	-	-	-
Recognised directly in equity	**-**	**-**	**-**	-	-	-
Total tax	**596**	**11**	**607**	678	(4)	674

Reconciliation of effective tax rate

	2015 **£000**	2014 £000
Profit for the year	**2,244**	2,378
Total tax expense	**607**	674
Profit excluding taxation	**2,851**	3,052
Tax using the UK corporation tax rate of 20.25% (2014: 21.49%)	**577**	627
Expenses not deductible for tax purposes	**17**	60
Adjustments to tax charge in respect of prior periods	**(1)**	69
Group relief claimed	**(5)**	(91)
Difference between current and deferred tax rate	**19**	-
Decrease in group relief claimed	**-**	9
Total tax expense included in profit or loss	**607**	674

Notes *(continued)*

9 Tangible fixed assets

Group

	Fixtures & fittings £000
Cost	
Balance at 1 January 2015	1,586
Acquisitions	218
Disposals	(227)
Balance at 31 December 2015	1,577
Depreciation and impairment	
Balance at 1 January 2015	1,126
Depreciation charge for the year	257
Disposals	(227)
Balance at 31 December 2015	1,156
Net book value	
At 1 January 2015	460
At 31 December 2015	**421**

Notes *(continued)*

10 Fixed asset investments

Fixed asset investments – Company

Company	Shares in group undertakings £000	Total £000
Cost		
At beginning and end of year	20	20
Provisions		
At beginning and end of year	-	-
Net book value		
At 31 December 2015	**20**	**20**
At 31 December 2014	20	20

Fixed asset investments – Company (continued)

The company has the following investments in subsidiaries:

	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
Draefern Limited	UK	Supplying personnel	100%
Gi Group Recruitment Limited (formerly Right4Staff Limited)	UK	Supplying personnel	100%
Protemp Recruitment Limited	UK	Supplying personnel	100%
Excel Resourcing (Recruitment Consultants) Limited	UK	Supplying personnel	100%
Right4Satff Limited (formerly Excel Resourcing (Recruitment Consultants) Bournemouth Limited	UK	Supplying personnel	100%
Total Work Services Limited	UK	Supplying personnel	100%

Notes *(continued)*

11 Debtors

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Trade debtors	**47,615**	44,756	**-**	-
Amounts owed by group undertakings	**7,474**	6,474	**6,536**	6,536
Deferred tax assets (see note 13)	**173**	184	**-**	-
Prepayments and accrued income	**674**	598	**-**	-
	55,936	52,012	**6,536**	6,536
Due within one year	**49,539**	45,615	**139**	139
Due after more than one year	**6,397**	6,397	**6,397**	6,397
	55,936	52,012	**6,536**	6,536

12 Creditors: amounts falling due within one year

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Bank loans and overdrafts	**20,540**	16,802	**-**	-
Trade creditors	**5,510**	7,963	**-**	-
Amounts owed to group undertakings	**878**	738	**6,602**	6,482
Taxation and social security	**13,178**	15,299	**-**	-
Other creditors	**373**	349	**-**	-
Accruals and deferred income	**522**	703	**-**	-
Corporation tax	**257**	242	**-**	-
	41,258	42,096	**6,602**	6,482

Notes *(continued)*

13 Deferred tax assets and liabilities

Deferred tax assets are attributable to the following:

Group

	2015 £000	2014 £000
Accelerated capital allowances	32	43
Other	141	141
Net tax assets	173	184

14 Capital and reserves

Share capital

In thousands of shares	Ordinary shares 2015
On issue at 1 January 2015	70,000
Issued for cash	-
On issue at 31 December 2015 – fully paid	70,000

	2015 £	2014 £
Allotted, called up and fully paid		
70,000 ordinary shares of £1 each	70,000	70,000
	70,000	70,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

After the balance sheet date total dividends of £nil equivalent to nil p per qualifying ordinary share *(2014: £nil)* were proposed by the directors.

Notes *(continued)*

15 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2015 £000	2015 £000
Less than one year	**726**	837
Between one and five years	**835**	1,496
More than five years	**175**	284
	1,736	2,617

During the year £1,211,000 was recognised as an expense in the profit and loss account in respect of operating leases (*2014: £1,202,000*).

At 31 December 2015 and 31 December 2014 the company has no operating lease commitments.

16 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Gi Group Holdings Recruitment Limited.

The largest group in which the results of the Company and its group are consolidated is that headed by SCL Holdings S.p.A., incorporated in Italy. The consolidated financial statements of these groups are available to the public and may be obtained from Milano via Cosimo del Fante 4 – 20122.

17 Accounting estimates and judgements

There are no significant sources of uncertainty.

18 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Group's and Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing their FRS 102 balance sheet, the Company has not adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).