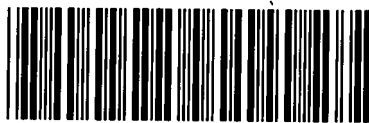


# **GTI Recruiting Solutions Limited**

## **Report and Financial Statements**

30 April 2014

THURSDAY



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COMPANIES HOUSE

**Directors**

M Halliday

M Tims

G Storey

P Clark (appointed 27 March 2014, resigned 12 September 2014)

**Secretary**

M Halliday

**Auditors**

Ernst & Young LLP

Bedford House

16 Bedford Street

Belfast BT2 7DT

**Bankers**

Barclays Bank PLC

1 Churchill Place

London E14 5HP

**Solicitors**

Travers Smith

10 Snow Hill

London EC1A 2AL

**Registered Office**

The Fountain Building

Howbery Park

Benson Lane

Wallingford OX10 8BA

Registered No. 3977847

## Directors' report

The directors present their report and financial statements for the year ended 30 April 2014.

### Results and dividends

The loss for the year after taxation amounted to £3,042 (2013 – profit of £64,253). The directors do not recommend a final dividend (2013 – £nil).

### Principal activity and review of the business

The principal activity of the company in the year under review was the provision of computer database software and the provision of recruitment services.

### Directors

The directors who served the company during the year were as follows:

M Halliday  
M Tims  
G Storey  
P Clark

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

### Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006. A Strategic Report has not been prepared as allowed by the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the Board

  
Director 

6 October 2014

## Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

# **Independent auditors' report**

## **to the members of GTI Recruiting Solutions Limited**

We have audited the financial statements of GTI Recruiting Solutions Limited for the year ended 30 April 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 3, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2014 and of its loss 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Independent auditors' report

to the members of GTI Recruiting Solutions Limited

## 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, 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.



David Galbraith (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast

6 October 2014

## Profit and loss account

for the year ended 30 April 2014

	Notes	2014 £	2013 £
<b>Turnover</b>	2	4,249,329	4,551,704
Cost of sales		(865,799)	(992,240)
<b>Gross profit</b>		3,383,530	3,559,464
Administrative expenses		(3,386,724)	(3,446,127)
Operating profit before amortisation of intangibles		581,730	656,233
Amortisation of intangibles		(584,924)	(542,896)
<b>Operating loss</b>	3	(3,194)	113,337
Interest receivable and similar income		152	248
<b>Loss on ordinary activities before taxation</b>		(3,042)	113,585
Tax	6	–	(49,332)
<b>Loss for the financial year</b>	13	(3,042)	64,253

All amounts relate to continuing activities.

## Statement of total recognised gains and losses

for the year ended 30 April 2014

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £3,042 in the year ended 30 April 2014 (2013 – profit of £64,253).


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**Balance sheet**

at 30 April 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Intangible assets	7	2,110,124	2,459,906
		<u>2,110,124</u>	<u>2,459,906</u>
<b>Current assets</b>			
Debtors	8	5,577,506	5,171,901
Cash at bank and in hand		75,833	117,657
		<u>5,653,339</u>	<u>5,289,558</u>
<b>Creditors: amounts falling due within one year</b>	9	(964,453)	(947,412)
<b>Net current assets</b>		<u>4,688,886</u>	<u>4,342,146</u>
<b>Total assets less current liabilities</b>		<u>6,799,010</u>	<u>6,802,052</u>
<b>Creditors: amounts falling due after more than one year</b>	10	(4,215,466)	(4,215,466)
<b>Net assets</b>		<u>2,583,544</u>	<u>2,586,586</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	2,583,542	2,586,584
<b>Shareholders' funds</b>	12	<u>2,583,544</u>	<u>2,586,586</u>

This financial statements have been approved and authorised for issue by the board and were signed on its behalf by

  
 Director **G STOREY**

  
 Director **M. HALLIDAY**

6 October 2014



## Notes to the financial statements

at 30 April 2014

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Statement of cash flows*

The directors have taken advantage of the exemption in FRS 1 (revised) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent published a group statement of cash flows.

#### *Tangible fixed assets*

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Furniture, fittings and equipment – 15% on reducing balance

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Research and development*

Expenditure on research and development is written off in the year in which it is incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate.

#### *Pensions*

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged to the profit and loss account.

## Notes to the financial statements

at 30 April 2014

### 2. Turnover

Turnover, which arises from the continuing principal activities of the provision of computer database software and recruitment services, comprises the invoice value of goods and services supplied by the company exclusive of value added tax.

Disclosure of the turnover for each business and geographical segment is not given because in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the company.

Revenue is recognised

- Upon the delivery of computer database software and recruitment services to customers.
- Upon the renewal of licences and subscriptions, and
- On a straight-line basis in relation to income received for maintenance and hosting services over the period of the service.

### 3. Operating loss

This is stated after charging/(crediting):

	2014	2013
	£	£
Auditors' remuneration – audit of the company's financial statements*	10,200	10,200
Depreciation of owned fixed assets	–	298
Amortisation of intangibles	584,924	542,896

\* Fees paid to the company's auditor, Ernst & Young LLP, for services other than the statutory audit of the company are not disclosed in GTI Recruiting Solutions Limited's financial statements since the consolidated financial statements of GTI Recruiting Solutions Limited's ultimate parent, Group GTI Limited, are required to disclose non-audit fees on a consolidated basis.

### 4. Directors' remuneration

Directors' remuneration (excluding pension contributions) of £682,820 (2013 – £606,000) is paid to the company's directors by other Group GTI Limited undertakings. The directors do not believe that it is practical to apportion this remuneration between their services as directors of the company and their services as directors of other Group GTI Limited undertakings.

### 5. Staff costs

	2014	2013
	£	£
Wages and salaries	1,814,277	1,836,397
Social security costs	188,614	192,877
Other pension costs	66,734	63,290
	<u>2,069,625</u>	<u>2,092,564</u>

## Notes to the financial statements

at 30 April 2014

### 5. Staff costs (continued)

The average monthly number of employees during the year was made up as follows:

	2014 No.	2013 No.
Managers	3	4
Staff	26	29
	<u>29</u>	<u>33</u>

### 6. Tax

(a) Tax on loss on ordinary activities

The tax charge / (credit) is made up as follows:

	2014 £	2013 £
<b>Current tax:</b>		
Adjustments in respect of prior years	—	—
Tax on loss on ordinary activities	—	—
<b>Group relief</b>		
Group relief payable	—	49,332
Adjustments in respect of previous periods	—	—
Total group relief	—	49,332
Current tax for the year (note 6(b))	<u>—</u>	<u>49,332</u>
<b>Deferred tax:</b>		
Movement in provision	—	—
Total deferred tax (note 6(c))	—	—
Tax on loss on ordinary activities	<u>—</u>	<u>49,332</u>

(b) Factors affecting tax charge / (credit) for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 22.83% (2013 – 23.92%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(3,042)</u>	<u>113,585</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.83% (2013 – 23.92%)	(694)	27,170
<b>Effects of:</b>		
Disallowed expenses and non-taxable income	333	1,512
Accelerated capital allowances	—	518
Short term timing differences	(273)	20,132
Losses not utilised	634	—
Current tax for the year (note 6(a))	<u>—</u>	<u>49,332</u>

## Notes to the financial statements

at 30 April 2014

### 6. Tax (continued)

#### (c) Deferred taxation

There is an unrecognised deferred tax asset of £29,713 at year end (2013 – £53,163).

#### (d) Factors that may affect future tax charges

Deferred tax has been calculated at 20% as at 30 April 2014 reflecting HMRC enactment of a reduction in the corporation tax rate effective from 1 April 2015. No future rate changes have been announced.

### 7. Intangible fixed assets

	<i>Purchased goodwill</i>	<i>Development expenditure</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 May 2013	4,163,287	386,440	4,549,727
Additions	–	235,142	235,142
At 30 April 2014	<u>4,163,287</u>	<u>621,583</u>	<u>4,784,869</u>
Amortisation:			
At 1 May 2013	1,978,625	111,196	2,089,821
Charge for the year	431,700	153,224	584,924
At 30 April 2014	<u>2,410,325</u>	<u>264,420</u>	<u>2,674,745</u>
Net book value:			
At 30 April 2014	<u>1,752,962</u>	<u>357,162</u>	<u>2,110,124</u>
At 1 May 2013	<u>2,184,662</u>	<u>275,244</u>	<u>2,459,906</u>

The intangible asset arising on acquisition of purchased goodwill has been capitalised and is being amortised over its estimated useful economic life from the date of acquisition. The directors have estimated that the useful economic life of the goodwill is 10 years.

## Notes to the financial statements

at 30 April 2014

### 8. Debtors

	2014	2013
	£	£
Trade debtors	1,047,201	1,095,502
Prepayments and accrued income	–	8,217
Other debtors	6,256	4,871
Amounts owed by group undertakings	4,524,049	4,063,311
	<u>5,577,506</u>	<u>5,171,901</u>

### 9. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	44,700	49,643
Other creditors	210,148	273,017
Other taxes and social security costs	103,196	91,547
Group relief payable	426,007	426,007
Accruals and deferred income	180,402	107,198
	<u>964,453</u>	<u>947,412</u>

## Notes to the financial statements

at 30 April 2014

### 10. Creditors: amounts falling due after more than one year

	2014	2013
	£	£
Amounts owing to group undertakings	<u>4,215,466</u>	<u>4,215,466</u>

### 11. Issued share capital

	No.	2014 £	No.	2013 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	2	<u>2</u>	2	<u>2</u>

### 12. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 May 2013	2	2,586,584	2,586,586
Loss for the year	–	(3,042)	(3,042)
At 30 April 2014	<u>2</u>	<u>2,583,542</u>	<u>2,583,544</u>

### 13. Pensions

The company operates a defined contribution pension scheme. Contributions during the year amounted to £66,734 (2013 – £63,290). At the year-end there were no pension contributions outstanding (2013 – £nil of pension contributions remained outstanding).

### 14. Related party transactions

Transactions with related parties are as follows (note that companies within the Group may also pay amounts on behalf of other entities, for which a corresponding intercompany balance is recognised):

	Sales £	Purchases and management charges £	Balance owed to related party at 30 April £	Balance due from related party at 30 April £
2014				
Parent undertakings	–	460,000	–	1,121,397
Other group undertakings	–	–	4,215,466	3,402,652
2013				
Parent undertakings	–	525,000	–	562,738
Other group undertakings	–	–	4,215,466	3,500,573

## Notes to the financial statements

at 30 April 2014

### 15. Ultimate parent undertaking and controlling party

The parent undertaking of the smallest and largest group of which the company is a member and for which group financial statements are prepared is Group GTI Limited, a company incorporated in the United Kingdom.

A copy of the group financial statements of Group GTI Limited are available from

The Fountain Building  
Howbery Park  
Benson Lane  
Wallingford OX10 8BA

The ultimate controlling party of the company is Exponent Private Equity Partners, LLP, a partnership registered in the United Kingdom.