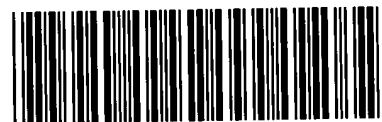


Global Medics Limited

Report and Financial Statements
for the 52 weeks ended 30 December 2016

SATURDAY



A15 *A6DNR8DF* #117
26/08/2017
COMPANIES HOUSE

Global Medics Limited

Contents

Company Information	1
Strategic Report	2 to 4
Directors' Report	5 to 6
Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements	7
Independent Auditor's Report to the members of Global Medics Limited	8 to 9
Profit and Loss Account	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 to 25

Global Medics Limited

Company Information

Directors	N Marsh
	A L Wilford
	J Robertson
	R J Watson
Company secretary	R J Watson
Registered office	800 The Boulevard Capability Green Luton Bedfordshire LU1 3BA
Auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA United Kingdom

Global Medics Limited

Strategic Report for the 52 weeks ended 30 December 2016

The directors present their strategic report for the 52 weeks ended 30 December 2016.

Review of the business

	52 weeks ended 30 December 2016	39 weeks ended 1 January 2016	Change
	£000s	£000s	%
Turnover	8,767	6,736	30.15
Gross profit	1,377	1,255	9.72
Administrative expenses	4,370	2,994	(45.96)
Operating loss	(2,993)	(1,739)	(72.11)
Gross profit %	15.7	18.6	
Conversion rate (%) (Operating profit to Gross profit)	(217.4)	(138.6)	

Following the acquisition of the Global Medics Group in July 2015 by Medacs Global Group Limited (formerly Impellam Healthcare Holdings Limited), the financial year end of the company was changed to bring it into line with other Impellam Group Plc companies. The financial statements for the 52 weeks ended 30 December 2016 are the first full-year set of financial statements prepared under the new basis.

The company reported revenues of £8.8m, a decrease of 2.4% based on a comparative 12 month basis. Gross profit levels have also continued to fall in a challenging market environment. However the operating result - after adjusting for unfavourable exchange movements - has stabilised and shown some improvement on a comparative 12 month basis.

In the year ahead the company will continue to focus on providing high quality opportunities for its candidates, further integrating the business into the Impellam Healthcare portfolio, as well as enabling clients to continue to provide high quality care.

The directors recognise that Brexit has increased the general level of uncertainty and degree of business confidence around permanent and temporary hiring decisions for the company's clients. The company derives a limited amount of its trade from countries within the European Union, and whilst it is too early to have a clear view of the consequences for the company's operations, the directors are aware of the potential impact of Brexit and continue to monitor the situation in this regard.

The directors continue to monitor and address the key drivers underlying the performance of the company, and are confident of creating a sound platform on which to move the business forward with renewed success.

Global Medics Limited

Strategic Report for the 52 weeks ended 30 December 2016 (continued)

Going concern

As at 30 December 2016 the company had net current liabilities amounting to £6,219,000 (1 January 2016: £4,100,000). The company is expected to generate sufficient operational cash flows for the foreseeable future. Furthermore the company participates in the centralised treasury arrangements and banking facilities provided by its ultimate parent company, Impellam Group Plc. The company has received assurances from the directors of the ultimate parent company that there are no factors which cast doubt on the Group's ability to continue with those treasury and banking arrangements, and that the ultimate parent company will continue to provide support for the foreseeable future and at least a period of twelve months from the date on which the financial statements are signed.

On the basis of their assessment of the company's financial position and of the enquiries made of Impellam Group Plc, the company's directors have a reasonable expectation that the company will be able to continue in operation for the foreseeable future. Therefore the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Insurance

Impellam Group plc ("the Group"), of which the company is a member, maintains a comprehensive insurance programme with a number of reputable third party underwriters. These insurance policies are reviewed annually to ensure that there is adequate cover for insurable risks and that the terms of those policies are optimised.

Principal risks and uncertainties

The principal risks and uncertainties of the Group, which include those of the company, are discussed in the Finance Report in the Group's annual report which does not form part of this report. Certain of the Group's business and financial risks are managed at a Group level, rather than at an individual company level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the company.

The risks specific to the company are set out below:

Regulatory environment

The provision of staffing and support services requires an increasing number of checks for compliance both with legislation and client contractual arrangements; these can vary widely by sector and geography. Such compliance requirements are constantly changing with new legislation being introduced and new or revised contracts being negotiated.

The company takes its responsibilities seriously, is committed to meeting all of its regulatory responsibilities and regularly reviews its policies, processes and systems to reflect best practice. All employees are informed and trained on any new requirements as they become necessary, all new employees receive training on all relevant operating standards and there is a team of compliance officers who regularly conduct spot checks to ensure standards are being maintained.

Technology systems

The company is reliant on a number of technology systems in providing its services to clients and in sourcing and communicating with candidates and staff. These systems are located both in-house and in various data centres. These systems are vulnerable to matters beyond the Group's control, such as natural disasters and power or telecommunications failures. Also, the systems could be vulnerable to improper or negligent operation by employees or from unauthorised access.

The business continues to develop and enhance controls, the associated disaster recovery systems, including physically separate disaster recovery sites, and other areas to improve its ability to cope with the loss or disruption of a technology system as a result of any such event. In addition, data protection is a key priority and specific contractual provisions exist to ensure safety and security of confidential data.

Global Medics Limited

Strategic Report for the 52 weeks ended 30 December 2016 (continued)

Approved by the Board on 29 June 2017 and signed on its behalf by:



.....
A L Wilford
Director

800 The Boulevard
Capability Green
Luton
LU1 3BA

Global Medics Limited

Directors' Report for the 52 weeks ended 30 December 2016

The directors present their report and the financial statements for the 52 weeks ended 30 December 2016.

Directors of the company

The directors who held office during the period were as follows:

N Marsh

A L Wilford (appointed 28 July 2016)

J Robertson

D Mee (resigned 28 July 2016)

R J Watson

Dividends

No dividend is paid or recommended in respect of either the current or the prior period.

Financial instruments

Objectives and policies

The principal financial instruments of the Group of which the company is a member comprise a revolving credit facility, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions. The main risks arising from the company's financial instruments are interest rate risk and foreign currency risk. The board reviews and agrees policies for managing each of these risks as summarised below:

Interest rate risk

The company's exposure to interest rate risk is minimal as borrowings are held at a group level. The company does not currently hedge this risk.

Foreign currency risk

The company is exposed to fluctuations in the exchange rate between sterling and Euro, Australian dollar and Canadian dollar. Wherever possible this risk is managed by ensuring expenses related to the generation of these overseas revenues are in the same currency as the income. The company does not seek to hedge this exposure.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company recognises that it is essential to maintain a highly skilled workforce. To this end the policy of training and development is incorporated in the company plan. It is the policy to promote from within the organisation wherever the possibility exists.

Health and safety measures are given particular attention by the directors and a written policy exists and is known throughout the company.

The company recognises the need for employees to be informed of the company's activities and performance. A corporate intranet for all employees provides a wide range of information and provides an increasingly important communication tool for policies and procedures as well as the sharing of information, document storage and specific news. Meetings are held between management and employees to allow sharing of information and consultation. Employees participate directly in the performance of the business through the Company's bonus arrangements.

Global Medics Limited

Directors' Report for the 52 weeks ended 30 December 2016 (continued)

Directors' liabilities

During the period and to the date of these financial statements, the company had in force an indemnity provision in favour of one or more Directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors KPMG LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 29 June 2017 and signed on its behalf by:



.....
A L Wilford
Director

800 The Boulevard
Capability Green
Luton
LU1 3BA

Global Medics Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors's 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 financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

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 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; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of Global Medics Limited

We have audited the financial statements of Global Medics Limited for the 52 week period ended 30 December 2016, set out on pages 10 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 101 'Reduced Disclosure Framework'.

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 Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements (set out on page 7), 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 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 December 2016 and of its loss for the period 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 Directors' Report for the financial period is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

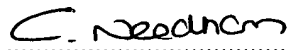
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the members of Global Medics 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, 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.



.....
Claire Needham (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Date: 29 June 2017

Global Medics Limited

Profit and Loss Account for the 52 weeks ended 30 December 2016

		52 weeks ended 30 December 2016 £ 000	39 weeks ended 1 January 2016 £ 000
	Note		
Turnover	3	8,767	6,736
Cost of sales		<u>(7,390)</u>	<u>(5,481)</u>
Gross profit		1,377	1,255
Administrative expenses		<u>(4,370)</u>	<u>(2,994)</u>
Operating loss	4	(2,993)	(1,739)
Interest payable and similar expenses	6	<u>(51)</u>	<u>(88)</u>
Loss before tax		(3,044)	(1,827)
Tax on loss	9	<u>890</u>	<u>18</u>
Loss for the financial period		<u><u>(2,154)</u></u>	<u><u>(1,809)</u></u>

The above results were derived from continuing operations.

Statement of Comprehensive Income for the 52 weeks ended 30 December 2016

	52 weeks ended 30 December 2016 £ 000	39 weeks ended 1 January 2016 £ 000
Loss for the financial period	<u>(2,154)</u>	<u>(1,809)</u>
Total comprehensive income for the financial period	<u><u>(2,154)</u></u>	<u><u>(1,809)</u></u>

The notes on pages 13 to 25 form an integral part of these financial statements.

Global Medics Limited

(Registration number: 04444302)
Balance Sheet as at 30 December 2016

	Note	30 December 2016 £ 000	1 January 2016 £ 000
Fixed assets			
Intangible assets	10	9	15
Property, plant and equipment	11	72	100
Investments	12	-	-
Deferred tax assets	9	2	3
		<u>83</u>	<u>118</u>
Current assets			
Trade and other receivables	13	8,228	7,744
Cash and cash equivalents		437	249
		<u>8,665</u>	<u>7,993</u>
Creditors: Amounts falling due within one year			
Trade and other payables	14	(14,884)	(11,995)
Loans and borrowings	15	-	(98)
Creditors: Amounts falling due within one year		<u>(14,884)</u>	<u>(12,093)</u>
Net current liabilities		<u>(6,219)</u>	<u>(4,100)</u>
Net liabilities		<u>(6,136)</u>	<u>(3,982)</u>
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account		<u>(6,136)</u>	<u>(3,982)</u>
Shareholders' deficit		<u>(6,136)</u>	<u>(3,982)</u>

Approved by the Board on 29 June 2017 and signed on its behalf by:



A L Wilford
Director

Global Medics Limited

Statement of Changes in Equity for the 52 weeks ended 30 December 2016

	Share capital £ 000	Retained earnings £ 000
At 2 January 2016	-	(3,982)
Loss for the period	-	(2,154)
Total comprehensive income	-	(2,154)
At 30 December 2016	-	(6,136)

	Share capital £ 000	Retained earnings £ 000
At 1 April 2015	-	(2,173)
Loss for the period	-	(1,809)
Total comprehensive income	-	(1,809)
At 1 January 2016	-	(3,982)

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016

1 General information

The company is a private company limited by share capital incorporated in England and domiciled in the United Kingdom.

The address of its registered office is:

800 The Boulevard
Capability Green
Luton
Bedfordshire
LU1 3BA

These financial statements were authorised for issue by the Board on 29 June 2017 and the balance sheet was signed on behalf of the Board by A L Wilford.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Impellam Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

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

Going concern

As at 30 December 2016 the company had net current liabilities amounting to £6,219,000 (1 January 2016: £4,100,000). The company is expected to generate sufficient operational cash flows for the foreseeable future. Furthermore the company participates in the centralised treasury arrangements and banking facilities provided by its ultimate parent company, Impellam Group Plc. The company has received assurances from the directors of the ultimate parent company that there are no factors which cast doubt on the Group's ability to continue with those treasury and banking arrangements, and that the ultimate parent company will continue to provide support for the foreseeable future and at least a period of twelve months from the date on which those financial statements are signed.

On the basis of their assessment of the company's financial position and of the enquiries made of Impellam Group Plc, the company's directors have a reasonable expectation that the company will be able to continue in operation for the foreseeable future. Therefore the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Exemption from preparing group accounts

The financial statements contain information about Global Medics Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Impellam Group Plc, a company incorporated in United Kingdom.

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

2 Accounting policies (continued)

Exemption from preparing a cash flow statement

The company has taken advantage of the exemption under FRS 101 not to publish a cash flow statement as its ultimate parent, Impellam Group Plc, a company incorporated in the United Kingdom, has prepared consolidated financial statements which are publicly available.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 2 January 2016 have had a material effect on the financial statements.

Revenue recognition

Turnover, which is stated exclusive of value added tax, comprises amounts receivable for employment services, net of rebates and discounts provided. The nature of the company's activities is such that revenue is recognised when a written agreement, terms and conditions or an approved customer order is in place and the services have been fully rendered. Revenue is recognised and accrued by reference to hours worked in accordance with approved and submitted weekly timesheets and agreed charge rates. The company's procedures require review of a customer's ability to pay prior to a service provision, at the time of such provision, and at the time of billing, such that collectability is reasonably assured.

Foreign currency transactions and balances

Profit and loss transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Tax

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 temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

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

Asset class	Depreciation method and rate
Freehold land and buildings	Over the term of the lease

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

2 Accounting policies (continued)

Furniture, fittings and office equipment 25% reducing balance method

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Intangible assets

Intangible assets represent the carrying value of computer software and licences.

Carrying value is equal to cost less accumulated amortisation and impairment or, in the case of assets acquired through business combinations, fair value at date of acquisition less accumulated amortisation and impairment.

Internally generated computer software programs are capitalised to the extent that costs can be separately identified and attributed to particular software programs, measured reliably, and that the asset developed can be shown to generate future economic benefits.

Computer software and licences are defined as having finite useful lives and the costs are amortised on a straight-line basis over the estimated useful lives of each of the assets, considered to be between three to five years. The expense is taken to the income statement through the "depreciation and amortisation" line within administrative expenses.

All costs relating to the "research" phase of the software development cycle together with costs not separately identifiable and attributable to particular program development are expensed directly to the income statement in the period in which it is incurred.

All intangible assets are also reviewed for impairment whenever there is an indication that the carrying amount may be impaired. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

2 Accounting policies (continued)

Operating lease payments

Rentals payable under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged in the profit and loss account on a straight line basis over the lease term.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Financial assets and liabilities

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial assets and financial liabilities are recorded at fair value on the transaction date, on the company's balance sheet when the company has become a party to the contractual provisions of the instrument and derecognised when this is no longer the case.

3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	52 weeks ended 30 December 2016 £ 000	39 weeks ended 1 January 2016 £ 000
Sales - UK	8,640	6,682
Sales - Europe	-	5
Sales - Rest of world	127	49
	<u>8,767</u>	<u>6,736</u>

4 Operating loss

Arrived at after charging

	52 weeks ended 30 December 2016 £ 000	39 weeks ended 1 January 2016 £ 000
Depreciation expense	58	39
Amortisation expense	6	3
Foreign exchange losses/(gains)	916	101
Operating lease expense - property	<u>96</u>	<u>101</u>

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

5 Auditor's remuneration

	52 weeks ended 30 December 2016 £ 000	39 weeks ended 1 January 2016 £ 000
Audit of the financial statements	16	35

6 Interest payable and similar charges

	52 weeks ended 30 December 2016 £ 000	39 weeks ended 1 January 2016 £ 000
Interest on bank overdrafts and borrowings	25	39
Interest expense on other financing liabilities	-	19
Other finance costs	26	30
	51	88

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	52 weeks ended 30 December 2016 £ 000	39 weeks ended 1 January 2016 £ 000
Wages and salaries	2,477	1,876
Social security costs	288	218
Pension costs	16	15
	2,781	2,109

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

	52 weeks ended 30 December 2016 No.	39 weeks ended 1 January 2016 No.
Administration and support	45	43
Other departments	3	3
	48	46

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

8 Directors' remuneration

The emoluments of the directors are paid by the ultimate parent company (Impellam Group Plc), or by another group company. The emoluments attributable to services in relation to this company are £116,000 (1 January 2016: £48,000).

9 Income tax

Tax credited in the income statement

	52 weeks ended 30 December 2016 £ 000	39 weeks ended 1 January 2016 £ 000
Current taxation		
UK corporation tax	(3)	(18)
UK corporation tax adjustment to prior periods	<u>(225)</u>	<u>-</u>
	(228)	(18)
Payment for group relief received	<u>(663)</u>	<u>-</u>
Total current income tax	(891)	(18)
Deferred taxation		
Deferred tax adjustment relating to previous years	<u>1</u>	<u>-</u>
Tax receipt in the income statement	<u><u>(890)</u></u>	<u><u>(18)</u></u>

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

9 Income tax (continued)

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (1 January 2016 - higher than the standard rate of corporation tax in the UK) of 20% (1 January 2016 - 20%).

The differences are reconciled below:

	52 weeks ended 30 December 2016 £ 000	39 weeks ended 1 January 2016 £ 000
Loss before tax	<u>(3,044)</u>	<u>(1,827)</u>
Corporation tax at standard rate	(609)	(365)
Increase (decrease) from transfer pricing adjustments	(69)	-
Income/expenses not taxable/allowable in determining taxable profits	12	197
Difference between depreciation and capital allowances	-	6
Losses group relieved	<u>-</u>	<u>144</u>
Total tax credit	<u>(666)</u>	<u>(18)</u>

UK legislation requires, in broad terms, that most transactions between connected parties be at an arm's length price for tax purposes (commonly known as 'transfer pricing'). As a result, this company must make an adjustment for deemed net interest on intercompany balances that has not been recognised in the financial statements.

UK legislation also places restrictions on the amount of interest payable by a group of companies which can be deducted for tax purposes (commonly known as the 'debt cap rules'), but also allows a restricted exemption for interest receivable subject to various conditions.

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax balances at 30 December 2016 have been calculated based on these rates.

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

9 Income tax (continued)

Deferred tax

Deferred tax assets and liabilities

30 December 2016

Accelerated tax depreciation
Other items

**Asset
£ 000**

2
-
2

1 January 2016

Accelerated tax depreciation
Other items

**Asset
£ 000**

3
-
3

Deferred tax movement during the period:

	At 2 January 2016 £ 000	Recognised in income £ 000	At 30 December 2016 £ 000
Accelerated tax depreciation	3	(1)	2
Other items	-	-	-
Net tax assets/(liabilities)	<u>3</u>	<u>(1)</u>	<u>2</u>

Deferred tax movement during the prior period:

	At 1 April 2015 £ 000	Recognised in income £ 000	At 1 January 2016 £ 000
Accelerated tax depreciation	-	3	3
Other items	-	-	-
Net tax assets/(liabilities)	<u>-</u>	<u>3</u>	<u>3</u>

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

10 Intangible assets

	Software £ 000
Cost or valuation	
At 2 January 2016	18
At 30 December 2016	18
Amortisation	
At 2 January 2016	3
Amortisation charge	6
At 30 December 2016	9
Carrying amount	
At 30 December 2016	9
At 1 January 2016	15

11 Property, plant and equipment

	Freehold Land and buildings £ 000	Furniture, fittings and office equipment £ 000	Total £ 000
Cost or valuation			
At 2 January 2016	125	71	196
Additions	-	30	30
At 30 December 2016	125	101	226
Depreciation			
At 2 January 2016	51	45	96
Charge for the period	26	32	58
At 30 December 2016	77	77	154
Carrying amount			
At 30 December 2016	48	24	72
At 1 January 2016	74	26	100

There is no material difference between the market value and net book value of the fixed assets.

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

12 Investments

Details of the subsidiaries as at 30 December 2016 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2016	2016
Doctors On Call Limited	Medical recruitment agency	United Kingdom	100%	100%

The investment in Doctors on Call Limited is held at a carrying value of £1 (1 January 2016: £1).

The registered office of Doctors on Call Limited is 800 The Boulevard, Capability Green, Luton, Bedfordshire, LU1 3BA.

13 Trade and other receivables

	30 December 2016 £ 000	1 January 2016 £ 000
Trade receivables	1,048	998
Amounts owed by related parties	6,788	6,475
Prepayments	392	269
Other receivables	-	2
Total current trade and other receivables	<u>8,228</u>	<u>7,744</u>

Amounts owed by related parties are interest free, unsecured and repayable on demand.

14 Trade and other payables

	30 December 2016 £ 000	1 January 2016 £ 000
Accrued expenses	819	736
Amounts owed to related parties	13,947	11,109
Social security and other taxes	90	134
Other payables	28	16
	<u>14,884</u>	<u>11,995</u>

Amounts owed to related parties are interest free, unsecured and repayable on demand.

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

15 Loans and borrowings

	30 December 2016 £ 000	1 January 2016 £ 000
Current loans and borrowings		
Other borrowings	-	98

Other borrowings represent amounts due for revolving credit facilities of £Nil (1 January 2016: £98,000) and are secured by fixed and floating charges over the assets of the company.

16 Share capital

Allotted, called up and fully paid shares

	30 December 2016		1 January 2016	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

17 Obligations under leases and hire purchase contracts

Operating leases

The total future value of minimum lease payments is as follows:

	30 December 2016 £ 000	1 January 2016 £ 000
Within one year	126	154
In two to five years	122	260
In over five years	-	-
	248	414

The amount of non-cancellable operating lease payments recognised as an expense during the period was £96,000 (2016 - £101,000)

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £16,000 (2016 - £15,000).

19 Related party transactions

The company has taken advantage of the exemptions in FRS 101 Section 8 from disclosing transactions with other members of the Group.

Global Medics Limited

Notes to the Financial Statements for the 52 weeks ended 30 December 2016 (continued)

20 Parent and ultimate parent undertaking

The company's immediate parent is Global Group (UK) Limited.

The Company's ultimate parent undertaking, Impellam Group Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Impellam Group Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF14 3UZ. Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

At 30 December 2016, the Lombard Trust was interested in and controlled 51.1% of Impellam Group Plc.