

COMPANIES HOUSE COPY

**ENVISAGE RECRUITMENT LIMITED
(FORMERLY CATTRELL HUDSON PARTNERS LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

COMPANY INFORMATION

Directors	B W Campbell A K Cattrell
Company secretary	N P Howard
Registered number	04986931
Registered office	12 Herald Way Binley Industrial Estate Coventry Warwickshire CV3 2NY
Independent auditors	BDO LLP Statutory Auditor Two Snowhill Birmingham B4 65A

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

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ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Business review and performance

The principal activity of the company continued to be that of the provision of skilled resource, most notably Engineers, to the major automotive OEM's, and other business sectors. In addition, the business places skilled resource in permanent positions.

2018 was a challenging year for the business against a backdrop where both the industry it primarily serves, and its major client, have undergone fundamental change, attributable to such diverse factors, as overseas markets, the controversy over diesel engines, and the prolonged Brexit issues.

As a result, contractor numbers fell from a 2017 high of 550 to 350 at the end of March 2019. Turnover was down 10% to £29.4m and EBITDA fell from £797k in 2017 to £428k in 2018.

During the year, the activities of the North West operation were consolidated into the main Coventry location in order to reduce overheads.

Principal risks and uncertainties

In the past, the dependence on one major client and the shortage of engineering resource to place have been highlighted as the principal risks in the business. As a result of the events described above, the dependence on one client has decreased, and it is gratifying that a number of new clients have been secured. Furthermore, the resource pool from which placements can be made has also increased.

The major issue facing the whole industry is the proposed extension of the IR35 on payroll regulations to the private sector. The consultation period on this has just ended and we have made representations through our trade association. Guidelines are due to be issued by HMRC during the summer.

Financial key performance indicators

Key performance indicators are tracked at weekly operations meetings, and monthly business reviews. These include the number of contractors placed, the hourly margins, and the permanent placement pipeline.

The fall in contractor numbers from 550 in 2017 to 426 as at December 2018 reflected the change in the industry from either converting temporary positions into permanent ones or a reduction in the OEM's headcount to cut costs. The reduction in the head count meant focus was turned to permanent recruitment. This increased from 20 placements in 2017 to 38 in 2018. There continues to be over 400 live job vacancies the team work with on a weekly basis

Balance Sheet

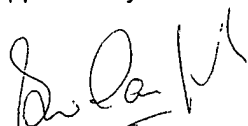
The balance sheet shows current assets of £3.369m, down from £6.296m, but this is largely attributable to a reduction in intra- group balances. Intangible assets relate to goodwill arising on the acquisition of Concept Group International Resource in 2016 and is being amortised over 10 years.

Current trading

2019 has begun in continuing difficult market conditions, although at the time of writing, there are signs of stabilisation. The permanent placement pipeline is very strong and further new clients have been secured. In addition, we have begun to make placements through our sales office in California, in particular supporting the electric/autonomous vehicle emerging market there.

This report was approved by the board on 27 September 2019 and signed on its behalf.

B W Campbell
Director



ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Change of name

With effect from 9 May 2018, the name of the company was changed from Cattrell Hudson Partners Limited to Envisage Recruitment Limited.

Results and dividends

The profit for the year, after taxation, amounted to £70,000 (2017 - £461,000).

The net assets of the business at the year end were £838,000 (2017 - £1,768,000).

Dividends of £1,000,000 were paid in the period (2017 - £1,000,000).

Directors

The directors who served during the year were:

B W Campbell
A K Cattrell

Future developments

The directors have agreed a strategy and resource plan to diversify away from its reliance on the automotive sector, to add to the scope of services it provides and to look at geographical expansion, including the international marketplace.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

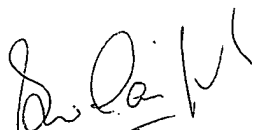
There have been no significant events affecting the company since the year end.

Auditors

On 1 February 2019 Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens LLP has resigned as auditor and the directors have appointed BDO LLP as auditor in their place. BDO LLP has indicated its willingness to continue in office.

This report was approved by the board on 27 September 2019 and signed on its behalf.

B W Campbell
Director



**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 to 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.

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

Opinion

We have audited the financial statements of Envisage Recruitment Limited (formerly Cattrell Hudson Partners Limited) (the 'company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED) (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED) (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's shareholder 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 shareholder those matters we are required to state to them in an Auditors' 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 shareholder for our audit work, for this report, or for the opinions we have formed.



Paul Fenner (Senior Statutory Auditor)

for and on behalf of
BDO LLP

Statutory Auditor

Two Snowhill
Birmingham
B4 65A

30 September 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Turnover	4	29,367	32,609
Cost of sales		(27,511)	(30,152)
Gross profit		1,856	2,457
Administrative expenses		(2,612)	(3,152)
Other operating income	5	997	1,308
Operating profit	6	241	613
Interest receivable and similar income		38	-
Interest payable and expenses	10	(152)	(152)
Profit before tax		127	461
Tax on profit	11	(57)	-
Profit for the financial year		70	461

There was no other comprehensive income for 2018 (2017 - £Nil).

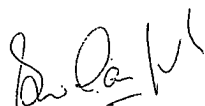
The notes on pages 10 to 24 form part of these financial statements.

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)
REGISTERED NUMBER: 04986931

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Intangible assets	13		1,023		1,153
Tangible assets	14		77		131
			<u>1,100</u>		<u>1,284</u>
Current assets					
Debtors: amounts falling due within one year	15	2,713		5,251	
Cash at bank and in hand	16	656		1,045	
		<u>3,369</u>		<u>6,296</u>	
Creditors: amounts falling due within one year	17	(3,631)		(5,800)	
Net current (liabilities)/assets			<u>(262)</u>		<u>496</u>
Total assets less current liabilities			<u>838</u>		<u>1,780</u>
Creditors: amounts falling due after more than one year	18		-		(12)
Net assets			<u><u>838</u></u>		<u><u>1,768</u></u>
Capital and reserves					
Called up share capital	22		51		51
Share premium account	23		19		19
Profit and loss account	23		768		1,698
			<u>838</u>		<u>1,768</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2019.



B W Campbell
Director

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2017	51	19	2,237	2,307
Comprehensive income for the year				
Profit for the year	-	-	461	461
Total comprehensive income for the year	-	-	461	461
Transactions with owners				
Equity dividends paid	-	-	(1,000)	(1,000)
Total transactions with owners	-	-	(1,000)	(1,000)
At 1 January 2018	51	19	1,698	1,768
Comprehensive income for the year				
Profit for the year	-	-	70	70
Total comprehensive income for the year	-	-	70	70
Transactions with owners				
Equity dividends paid	-	-	(1,000)	(1,000)
Total transactions with owners	-	-	(1,000)	(1,000)
At 31 December 2018	51	19	768	838

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Envisage Recruitment Limited (formerly Cattrell Hudson Partners Limited) is a limited liability company incorporated in England & Wales and domiciled in England.

With effect from 9 May 2018, the name of the company was changed from Cattrell Hudson Partners Limited to Envisage Recruitment Limited.

The principal activity of the company continued to be that of the provision of skilled resource, most notably Engineers, to the major automotive OEM's, and other business sectors. In addition, the business places skilled resource in permanent positions.

The registered office is 12 Herald Way, Binley Industrial Estate, Coventry, Warwickshire, CV3 2NY and the registered number is 04986931.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

The results of the company are included within the consolidated financial statements of Envisage Group Limited, incorporated in England & Wales. The consolidated financial statements of Envisage Group Limited are available at their registered office at 12 Herald Way, Binley Industrial Estate, Coventry, Warwickshire, United Kingdom, CV3 2NY.

The functional and presentation currency for the company during the year was Sterling and the accounts are rounded to the nearest thousand.

The following principal accounting policies have been applied:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Envisage Group Limited as at 31 December 2018 and these financial statements may be obtained from 12 Herald Way, Binley Industrial Estate, Coventry, Warwickshire, CV3 2NY.

2.3 Going concern

These financial statements have been prepared on the basis that the company will continue trading as a going concern. At 31 December 2018 the company had amounts owed from group undertakings totalling £847,000 (2017 - £3,035,000) and relied upon recovery of these debts from group companies, all of which have going concern issues.

The company's ultimate parent, Envisage Investments Limited, has confirmed that it will continue to support the group with sufficient financial support and working capital to enable the group to meet its ongoing liabilities as they fall due.

On this basis the directors consider the going concern basis of accounting to remain appropriate.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the economic life of that asset as follows:

The estimated useful lives range as follows:

Goodwill	-	10 years straight line
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2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Computer software is capitalised within tangible fixed assets as the software is deemed to provide the functionality that a number of tangible fixed assets require in order to operate in the manner intended.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- 3 to 10 years
Fixtures, fittings and equipment	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administration expenses within the Profit and Loss Account.

2.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate under the contract.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Leased assets: Lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.17 Current taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the company operates and generates income.

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations for future events that we believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The nature of this business is that whilst estimates and judgements are required in certain areas e.g. prepayments and accruals, none are considered to be critical or key estimates.

4. Turnover

The whole of the turnover is attributable to the provision of skilled labour.

Analysis of turnover by country of destination:

	2018	2017
	£000	£000
United Kingdom	28,786	31,947
Rest of Europe	581	662
	29,367	32,609

5. Other operating income

	2018	2017
	£000	£000
Group recharges	997	1,308

6. Operating profit

The operating profit is stated after charging/(crediting):

	2018	2017
	£000	£000
Depreciation of tangible fixed assets - owned	15	14
Depreciation of tangible fixed assets - leased	43	41
Amortisation of intangible fixed assets, including goodwill	130	129
Exchange differences	(14)	3
Other operating lease rentals	83	145
Defined contribution pension costs	16	20

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Auditors' remuneration

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

The audit fees and other fees payable to the auditors of the company were borne by the parent company, Envisage Group Limited.

8. Employees

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	1,083	1,349
Social security costs	113	147
Cost of defined contribution scheme	16	20
	1,212	1,516

The average monthly number of employees, including the directors, during the year was as follows:

	2018	2017
	No.	No.
Administrative	23	26
Management	3	4
	26	30

Staff costs are recharged to other entities within the Envisage Group Limited group where employees have undertaken work for these entities.

Directors' remuneration is paid primarily through the parent company, Envisage Group Limited.

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Interest receivable

	2018 £000	2017 £000
Interest receivable from group companies	38	-

10. Interest payable and similar expenses

	2018 £000	2017 £000
Bank interest payable	43	26
Finance leases and hire purchase contracts	9	9
Invoice discounting charges	100	117
	152	152

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Taxation

	2018 £000	2017 £000
Group taxation relief	57	-
Total current tax	57	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	127	461
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	24	88
Effects of:		
Expenses not deductible for tax purposes	30	33
Capital allowances for year in excess of depreciation	3	(6)
Group relief	(57)	(115)
Group relief charged	57	-
Total tax charge for the year	57	-

Factors that may affect future tax charges

There are no factors affecting future tax charges.

12. Dividends

	2018 £000	2017 £000
Equity dividends paid	1,000	1,000

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Intangible assets

	Goodwill £000
Cost	
At 1 January 2018	1,292
At 31 December 2018	<u>1,292</u>
Amortisation	
At 1 January 2018	139
Charge for the year	130
At 31 December 2018	<u>269</u>
Net book value	
At 31 December 2018	<u>1,023</u>
At 31 December 2017	<u>1,153</u>

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation			
At 1 January 2018	111	282	393
Additions	-	4	4
At 31 December 2018	<u>111</u>	<u>286</u>	<u>397</u>
Depreciation			
At 1 January 2018	100	162	262
Charge for the year	5	53	58
At 31 December 2018	<u>105</u>	<u>215</u>	<u>320</u>
Net book value			
At 31 December 2018	<u>6</u>	<u>71</u>	<u>77</u>
At 31 December 2017	<u>11</u>	<u>120</u>	<u>131</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £000	2017 £000
Furniture, fittings and equipment	<u>53</u>	<u>96</u>

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Debtors

	2018	2017
	£000	£000
Trade debtors	1,454	1,281
Amounts owed by group undertakings	847	3,035
Other debtors	-	8
Prepayments	42	65
Accrued income	370	862
	2,713	5,251

16. Cash and cash equivalents

	2018	2017
	£000	£000
Cash at bank and in hand	656	1,045

17. Creditors: falling due within one year

	2018	2017
	£000	£000
Invoice discounting	1,020	926
Trade creditors	2,150	2,677
Amounts owed to group undertakings	216	1,324
Amounts owed to other participating interests	-	250
Other taxation and social security	167	135
Obligations under finance lease and hire purchase contracts	10	50
Accruals and deferred income	68	438
	3,631	5,800

The amounts included in invoice discounting are secured by a debenture covering a range of the entity's assets, securing all monies due or to become due from the company to Bibby Financial Services Limited.

Finance leases and similar agreements are secured against the assets to which they relate.

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. Creditors: falling due after more than one year

	2018	2017
	£000	£000
Net obligations under finance leases and hire purchase contracts	-	12

Finance leases and similar agreements are secured against the assets to which they relate.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018	2017
	£000	£000
Within one year	10	50
Between 2-5 years	-	12
	<u>10</u>	<u>62</u>

20. Financial instruments

	2018	2017
	£000	£000
Financial assets		
Financial assets measured at fair value through profit or loss	<u>656</u>	<u>1,045</u>
Financial liabilities		
Other financial liabilities measured at fair value through profit or loss	<u>-</u>	<u>(273)</u>

Financial assets measured at fair value through profit or loss comprises cash at bank and in hand.

Other financial liabilities measured at fair value through profit or loss comprise bank overdrafts.

21. Deferred taxation

No provision has been made in the financial statements for a deferred asset of £19,000 (2017 - £16,000) which arises as a result of excess depreciation over taxation allowances.

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

22. Share capital

	2018	2017
	£000	£000
Allotted, called up and fully paid		
51,000 Ordinary shares of £1.00 each	51	51

The ordinary shares carry equal voting rights, the rights to receive dividends and entitles the holder to participate in a return of capital and cannot be redeemed.

23. Reserves**Share premium account**

This reserve records the amount received in respect of share capital in excess of the nominal value of the shares.

Profit and loss account

The profit and loss account reserve relates to accumulated profits less distributions to shareholders.

24. Contingent liabilities

An unlimited multilateral guarantee has been given by the company in favour of group undertakings Envisage Classic & Bespoke Limited (formerly Envisage Manufacturing Limited), Envisage Technologies Limited (formerly Visioneering Limited) and Envisage Group Limited.

25. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £16,000 (2017 - £20,000).

Contributions totalling £Nil (2017 - £Nil) were payable to the fund at the Balance Sheet date.

26. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£000	£000
Not later than 1 year	47	83

ENVISAGE RECRUITMENT LIMITED (FORMERLY CATTRELL HUDSON PARTNERS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

27. Related party transactions

In accordance with FRS 102 section 33.1A the company has taken advantage of the exemption available not to disclose details of transactions entered into between wholly owned subsidiaries of Envisage Group Limited.

28. Controlling party

The company's parent company is Envisage Group Limited, a company registered in England & Wales and the ultimate parent is Envisage Investments Limited, a company registered in Guernsey.

Envisage Group Limited prepares consolidated financial statements. These financial statements can be obtained from Envisage Group Limited's registered office at 12 Herald Way, Binley Industrial Estate, Coventry, United Kingdom, CV3 2NY.

The company is under the ultimate control of Mrs R Hudson by virtue of her majority shareholding in the parent company, Envisage Investments Limited.