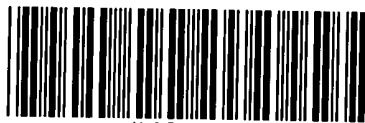


REGISTERED NUMBER: 05798112 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
HR GO RECRUITMENT LIMITED**

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HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

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For The Year Ended 31 December 2016**

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HR GO RECRUITMENT LIMITED

COMPANY INFORMATION

For The Year Ended 31 December 2016

DIRECTORS:

J C Parkinson
C L Hare

SECRETARY:

R G Barrow

REGISTERED OFFICE:

Wellington House
Church Road
Ashford
Kent
TN23 1RE

REGISTERED NUMBER:

05798112 (England and Wales)

AUDITORS:

Moore Stephens LLP
Chartered Accountants
Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

BANKERS:

National Westminster Bank Plc
20 High Street
Ashford
Kent
TN24 8SH

SOLICITORS:

Asb Law LLP
106 High Street
Crawley
West Sussex
RH10 1BF

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

STRATEGIC REPORT For The Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

Following the transfer of certain trades in 2015 to separate legal entities as detailed in note 9, the turnover has as expected fallen in the year by 59% to £13.7m (2015: £33.9k). The decision to move away from certain high volume low margin managed service contracts, and the movement of low margin business into separate legal entities has contributed to the gross profit growth of 5.9%

PRINCIPAL RISKS AND UNCERTAINTIES

The company recognises that risk is an inherent part of being in business. Reviews of these risks and the potential effects on the business are conducted on a regular basis.

The company is dependent on the continued financial support of its parent undertaking as detailed in note 3 to the financial statements. Due to its indebtedness any material increase in interest rates is likely to impact significantly in the results of the company.

There is an unknown risk of government regulations changing which may put increased pressures on margins. HR GO monitors these changes and reacts accordingly.

The performance of the UK economy has a significant impact on the UK jobs market. However, HR GO is well positioned being involved in both temporary and permanent recruitment whilst it has also diversified across multiple sectors.

Client retention is a key strategy for our Group. However it remains both a risk and opportunity to the Group that a key customer could be won or lost, which could materially affect the results.

The board of directors sets out the financial risk management policies that are implemented by the group finance department. The board considers that financial risks do not pose a major threat to the company or the group. Further information on risk's faced by the company has been included in the accounts of the parent undertaking.

GOING CONCERN

The company participates in the group's centralised treasury arrangements, and so shares banking arrangements with its ultimate parent and fellow subsidiaries.

The Directors having assessed responses from the directors of HR GO Plc to their enquires have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of HR GO Group to continue as a going concern or its ability to continue with the current banking and support arrangements.

On the basis of this assessment the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:



R G Barrow - Secretary

22 September 2017

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

REPORT OF THE DIRECTORS For The Year Ended 31 December 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company and employment agents.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

FUTURE DEVELOPMENTS

The company has and continues to invest in increasing its market share in permanent recruitment and winning large sustainable temporary labour contracts.

The directors of the HR GO Recruitment are therefore optimistic about the prospects for the future growth and development of the company and the expansion of its operations.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

J C Parkinson
C L Hare

DIRECTORS' INDEMNITIES

The company maintains directors' and officers' liability insurance providing appropriate cover for any legal action brought against its directors.

DISCLOSURE IN THE STRATEGIC REPORT

The company has included a summary of its principal risks and a review of the year in its Strategic report set out on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

**REPORT OF THE DIRECTORS
For The Year Ended 31 December 2016**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:

A handwritten signature in black ink, appearing to read 'R. G. Barrow', is written over a horizontal line.

R G Barrow - Secretary

28 September 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HR GO RECRUITMENT LIMITED

We have audited the financial statements of HR GO Recruitment Limited for the year ended 31 December 2016 on pages seven to twenty six. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 (APB'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HR GO RECRUITMENT 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.

Moore Stephens LLP

Gareth Jones FCA (Senior Statutory Auditor)
for and on behalf of Moore Stephens LLP
Chartered Accountants
Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

29 September 2017

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 December 2016

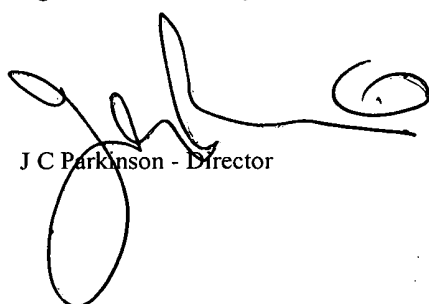
		Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
	Notes		
TURNOVER		13,748,443	33,894,765
Cost of sales		<u>(10,508,449)</u>	<u>(27,903,893)</u>
GROSS PROFIT		3,239,994	5,990,872
Administrative expenses		<u>(4,875,124)</u>	<u>(7,240,907)</u>
		(1,635,130)	(1,250,035)
Other operating income		<u>1,733,553</u>	<u>902,217</u>
OPERATING PROFIT/(LOSS)	5	98,423	(347,818)
Profit/(loss) on sale of operation	6	<u>-</u>	<u>353,412</u>
		98,423	5,594
Income from shares in group undertakings		103,540	77,354
Interest receivable and similar income	7	<u>14,851</u>	<u>4</u>
		216,814	82,952
Interest payable and similar expenses	8	<u>(312,681)</u>	<u>(340,540)</u>
LOSS BEFORE TAXATION		(95,867)	(257,588)
Tax on loss	9	<u>38,157</u>	<u>5,369</u>
LOSS FOR THE FINANCIAL YEAR		(57,710)	(252,219)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>(57,710)</u></u>	<u><u>(252,219)</u></u>

The notes on pages 11 to 26 form part of these financial statements

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)**BALANCE SHEET****31 December 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	11	669,068	716,448
Tangible assets	12	52,171	82,030
Investments	13	<u>705,753</u>	<u>722,552</u>
		<u>1,426,992</u>	<u>1,521,030</u>
CURRENT ASSETS			
Debtors	14	2,497,244	11,583,733
Cash at bank and in hand		<u>4,421</u>	<u>18,706</u>
		2,501,665	11,602,439
CREDITORS			
Amounts falling due within one year	15	<u>(6,576,918)</u>	<u>(15,714,020)</u>
NET CURRENT LIABILITIES		<u>(4,075,253)</u>	<u>(4,111,581)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,648,261)</u>	<u>(2,590,551)</u>
CAPITAL AND RESERVES			
Called up share capital	18	1	1
Retained earnings	19	<u>(2,648,262)</u>	<u>(2,590,552)</u>
SHAREHOLDERS' FUNDS		<u>(2,648,261)</u>	<u>(2,590,551)</u>

The financial statements were approved and authorised for issue by the Board of Directors on 28 September 2017 and were signed on its behalf by:



J C Parkinson - Director

The notes on pages 11 to 26 form part of these financial statements

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 31 December 2014	1	(2,338,333)	(2,338,332)
Changes in equity			
Total comprehensive income	-	(252,219)	(252,219)
Balance at 31 December 2015	1	(2,590,552)	(2,590,551)
Changes in equity			
Total comprehensive income	-	(57,710)	(57,710)
Balance at 31 December 2016	1	(2,648,262)	(2,648,261)

The notes on pages 11 to 26 form part of these financial statements

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

CASH FLOW STATEMENT

For The Year Ended 31 December 2016

		Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Cash flows from operating activities	Notes		
Cash generated from operations	23	201,956	(4,306,859)
Interest paid		(312,681)	(340,229)
Interest element of hire purchase or finance lease rental payments paid		-	(311)
Tax paid		<u>38,157</u>	<u>5,369</u>
Net cash from operating activities		<u>(72,568)</u>	<u>(4,642,030)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(35,700)	(27,300)
Purchase of fixed asset investments		(1,321)	(10,000)
Sale of tangible fixed assets		2,456	40,967
Sale of fixed asset investments		5	95
Purchase of trade and associated assets		-	4,533,460
Loans issued in the period		-	(18,000)
Interest received		14,851	4
Dividends received		<u>77,992</u>	<u>170,002</u>
Net cash from investing activities		<u>58,283</u>	<u>4,689,228</u>
Cash flows from financing activities			
Capital repayments in year		-	(10,414)
Net cash from financing activities		-	(10,414)
(Decrease)/increase in cash and cash equivalents		(14,285)	36,784
Cash and cash equivalents at beginning of year	24	<u>18,706</u>	<u>(18,078)</u>
Cash and cash equivalents at end of year	24	<u><u>4,421</u></u>	<u><u>18,706</u></u>

The notes on pages 11 to 26 form part of these financial statements

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 December 2016

1. NOTES TO THE INCOME STATEMENT

There were no other comprehensive income or recognised gains or losses other than the losses for the current and previous year.

2. STATUTORY INFORMATION

HR GO Recruitment Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company transitioned from previous UK GAAP to FRS 102 as at 31 December 2014. These are the company's first set of financial statements prepared in accordance with FRS 102. An explanation of how the transition has affected the financial statements is shown in note 25.

The company participates in the group's centralised treasury arrangements, and so shares banking arrangements with its ultimate parent and fellow subsidiaries.

The Directors having assessed responses from the directors of HR GO Plc to his enquires have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of HR GO Group to continue as a going concern or its ability to continue with the current banking and support arrangements.

The financial statements have been prepared on the going concern basis, notwithstanding the position of net liabilities on the basis that HR GO Plc has confirmed that any necessary financial assistance will be provided in order to enable the company to continue to trade for the foreseeable future.

HR GO Plc has specifically confirmed that it will not call in its debt due from the company if this was to result in undue financial pressure for the company.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the company.

The use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

The directors feel there are no significant areas of judgement which require further disclosure beyond the following accounting policies.

Preparation of consolidated financial statements

The financial statements contain information about HR GO Recruitment 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 requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, HR GO Plc, Wellington House, Church road, Ashford, Kent, TN23 1RE.

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued

For The Year Ended 31 December 2016

3. ACCOUNTING POLICIES - continued

Turnover

Turnover represents the amounts receivable by the company in the ordinary course of business, net of value added tax, for employment agency services provided during the period. All turnover derives from the United Kingdom and the principal activity of the company.

Goodwill

Purchased goodwill represents the excess of the consideration paid over the fair value of the identifiable net assets at the date of their acquisition. In accordance with the Financial Reporting Standard 102 "Goodwill and Intangible Assets" purchased goodwill is capitalised in the year in which it arises and amortised in equal annual instalments over its useful economic life. Purchased goodwill is written off between 0-10 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over their estimated useful lives as follows:

Leasehold improvements	10% per annum or unexpired term of lease if less than 10 years
Vehicles, equipment and fixtures & fittings	15% - 33% per annum

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued **For The Year Ended 31 December 2016**

3. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, being those with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

Intercompany loans

Intercompany loans are initially recorded at transaction price and subsequently carried at amortised cost.

Trade creditors

Trade creditors 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 creditors falling due within one year 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 creditors falling due after one year. Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Subsequent measurement

At the end of each reporting period, debt instruments classified as basic are measured at amortised cost using the effective interest rate method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 31 December 2016

3. ACCOUNTING POLICIES - continued

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

4. EMPLOYEES AND DIRECTORS

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Wages and salaries	1,603,265	2,406,260
Social security costs	163,154	248,128
Other pension costs	<u>30,010</u>	<u>42,712</u>
	<u>1,796,429</u>	<u>2,697,100</u>

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

	Year Ended 31.12.16	Period 31.12.14 to 31.12.15
Office and management	<u>45</u>	<u>65</u>

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Directors' remuneration	137,550	150,187
Directors' pension contributions to money purchase schemes	<u>4,000</u>	<u>4,214</u>

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 31 December 2016

4. EMPLOYEES AND DIRECTORS - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

5. OPERATING PROFIT/(LOSS)

The operating profit (2015 - operating loss) is stated after charging/(crediting):

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Operating lease expense - plant and machinery	9,976	7,482
Operating lease expense - land and buildings	163,828	206,139
Depreciation - owned assets	58,278	97,524
Loss/(profit) on disposal of fixed assets	22,940	(634,603)
Goodwill amortisation	47,380	90,587
Auditor's remuneration	10,084	17,113
Impairment of goodwill	<u>-</u>	<u>(5,417)</u>

The remuneration of J C Parkinson is paid by the parent undertaking. His services to the company and to a number of fellow subsidiaries are of a non-executive nature and his remuneration is deemed to be wholly attributable to his services to the parent undertaking. Accordingly, the above details include no remuneration in respect of J C Parkinson.

6. EXCEPTIONAL ITEMS

Profit on sale of operation relates to a profit on sale of goodwill of £621,950 following the transfer of trades to two fellow subsidiaries HR GO (Kent) Ltd and HR GO (Northampton) Ltd, together with a charge of £268,538 in respect of impairment of goodwill associated with two trades suspended in 2015.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Amounts receivable from group undertakings	14,840	-
Other interest receivable	<u>11</u>	<u>4</u>
	<u>14,851</u>	<u>4</u>

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2016

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Amounts payable to group undertakings	312,681	340,229
Finance leases and hire purchase contracts	-	311
	<u>312,681</u>	<u>340,540</u>

9. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Current tax:		
Group Relief	(38,157)	(5,369)
Tax on loss	<u>(38,157)</u>	<u>(5,369)</u>

UK corporation tax has been charged at 20%.

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2016

9. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Loss before tax	<u>(95,867)</u>	<u>(257,588)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.250%)	(19,173)	(52,162)
Effects of:		
Income/(expenses) disallowed for tax purposes	(27,279)	9,846
Depreciation in excess of capital allowances	13,510	25,535
Tax losses brought forward	(735,108)	(846,317)
Tax losses transferred from fellow subsidiaries	1,410	8,413
Adjustment to tax charge in respect of previous period	(15,188)	(5,369)
Adjustment to tax losses brought forward	(106,719)	119,577
Tax losses carried forward	<u>850,390</u>	<u>735,108</u>
Total tax credit	<u>(38,157)</u>	<u>(5,369)</u>

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2016

10. SALE OF TRADES AND ASSOCIATED ASSETS

	2016 £	2015 £
Net assets disposed of at market value and related sale proceeds		
Intangible fixed assets	-	1,078,050
Tangible fixed assets	-	27,862
Debtors	-	4,314,301
Creditors	-	(1,508,703)
Net assets	-	3,911,510
Profit on sale of goodwill	-	621,950
Sale Proceeds	-	4,533,460
Satisfied by:		
Cash	-	4,533,460

Between 1 April and 1 August 2015 various operations of HR GO Recruitment Ltd were disposed of to fellow subsidiaries for the individual considerations detailed below. 1 April 2015, HR GO (Kent) Ltd, £2,763,040, 1 July 2015, HR GO (Somerset) Ltd, £206,537, 1 August 2015 HR GO (Northampton) Ltd, £728,401, HR GO Driving (North) Ltd, £705,575, HR GO Driving (South) Ltd, £129,907.

11. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2016	
and 31 December 2016	1,763,914
AMORTISATION	
At 1 January 2016	1,047,466
Amortisation for year	47,380
At 31 December 2016	1,094,846
NET BOOK VALUE	
At 31 December 2016	669,068
At 31 December 2015	716,448

Amortisation brought forward above includes impairment losses of £692,616 (2015: £692,616).

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2016

12. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Vehicles, equipment and fixtures & fittings £	Totals £
COST			
At 1 January 2016	35,732	481,863	517,595
Additions	-	35,700	35,700
Disposals	-	(53,672)	(53,672)
At 31 December 2016	<u>35,732</u>	<u>463,891</u>	<u>499,623</u>
DEPRECIATION			
At 1 January 2016	21,785	413,780	435,565
Charge for year	6,695	51,583	58,278
Eliminated on disposal	-	(46,391)	(46,391)
At 31 December 2016	<u>28,480</u>	<u>418,972</u>	<u>447,452</u>
NET BOOK VALUE			
At 31 December 2016	<u>7,252</u>	<u>44,919</u>	<u>52,171</u>
At 31 December 2015	<u>13,947</u>	<u>68,083</u>	<u>82,030</u>

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2016	1,702,521
Additions	1,321
Disposals	(18,120)
At 31 December 2016	<u>1,685,722</u>
PROVISIONS	
At 1 January 2016 and 31 December 2016	<u>979,969</u>
NET BOOK VALUE	
At 31 December 2016	<u>705,753</u>
At 31 December 2015	<u>722,552</u>

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 31 December 2016

13. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

HR GO (Norwich) Ltd

Registered office:

Nature of business: Recruitment

	% holding	2016	2015
Class of shares:		£	£
1p Ordinary	87.19		
Aggregate capital and reserves		210,664	196,307
Profit for the year/period		<u>28,557</u>	<u>10,157</u>

HR Care (Manchester) Ltd

Registered office:

Nature of business: Dormant

	% holding	2016	2015
Class of shares:		£	£
1p Ordinary	80.00		
Aggregate capital and reserves		<u>(1,500)</u>	<u>(1,500)</u>

HR GO (Huntingdon) Ltd

Registered office:

Nature of business: Recruitment

	% holding	2016	2015
Class of shares:		£	£
1p Ordinary	90.00		
Aggregate capital and reserves		72,992	53,963
Profit for the year/period		<u>40,029</u>	<u>53,863</u>

HR Go (Crawley) Ltd

Registered office:

Nature of business: Dormant

	% holding	2016	2015
Class of shares:		£	£
1p Ordinary	100.00		
Aggregate capital and reserves		<u>(10,000)</u>	<u>(10,000)</u>

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued **For The Year Ended 31 December 2016**

13. FIXED ASSET INVESTMENTS - continued

HR GO (Doncaster) Ltd

Registered office:

Nature of business: Recruitment

	% holding	2016	2015
Class of shares:		£	£
1p Ordinary	85.00		
Aggregate capital and reserves		125,262	185,997
Loss for the year/period		<u>(60,735)</u>	<u>(11,488)</u>

HR GO (Glasgow) Limited

Registered office:

Nature of business: Recruitment

	% holding	2016	2015
Class of shares:		£	£
1p Ordinary	89.70		
Aggregate capital and reserves		51,278	39,680
Profit for the year/period		<u>11,598</u>	<u>14,005</u>

HR GO (Liverpool) Ltd

Registered office:

Nature of business: Recruitment

	% holding	2016	2015
Class of shares:		£	£
1p Ordinary	60.18		
Aggregate capital and reserves		745,600	625,500
Profit for the year/period		<u>240,025</u>	<u>250,358</u>

HR GO (Newcastle) Ltd

Registered office:

Nature of business: Recruitment

	% holding	2016	2015
Class of shares:		£	£
1p Ordinary	100.00		
Aggregate capital and reserves		(160,478)	(74,121)
Loss for the year/period		<u>(86,357)</u>	<u>(46,482)</u>

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued **For The Year Ended 31 December 2016**

13. FIXED ASSET INVESTMENTS - continued

Newcastle Business Services Ltd

Registered office:

Nature of business: Holding Company

Class of shares:	% holding
1p Ordinary	100.00

	2016	2015
	£	£
Aggregate capital and reserves	<u>100</u>	<u>100</u>

HR GO (Nottingham) Ltd

Registered office:

Nature of business: Recruitment

Class of shares:	% holding
1p Ordinary	100.00

	2016	2015
	£	£
Aggregate capital and reserves	(364,498)	(273,449)
Loss for the year/period	<u>(91,049)</u>	<u>(44,230)</u>

Complete Events & Crew Services Ltd

Registered office:

Nature of business: Dormant

Class of shares:	% holding
1p Ordinary	100.00

	2016	2015
	£	£
Aggregate capital and reserves	<u>100</u>	<u>100</u>

HR GO (London) Ltd

Registered office:

Nature of business: Recruitment

Class of shares:	% holding
£1 Ordinary	100.00

	2016	2015
	£	£
Aggregate capital and reserves	<u>1,000</u>	<u>1,000</u>

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)**NOTES TO THE FINANCIAL STATEMENTS - continued**
For The Year Ended 31 December 2016**14. DEBTORS**

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,893,256	1,546,549
Amounts owed by group undertakings	102,043	9,509,598
Other debtors	52,600	82,868
Dividend receivable	103,407	77,859
Prepayments	345,938	348,859
	<u>2,497,244</u>	<u>11,565,733</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	18,000
	<u>-</u>	<u>18,000</u>
Aggregate amounts	<u>2,497,244</u>	<u>11,583,733</u>

Details of amounts owed by group undertakings are shown in note 21.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other loans (see note 16)	47,500	47,500
Trade creditors	186,265	242,662
Amounts owed to group undertakings	5,596,940	14,588,509
Social security and other taxes	98,764	246,181
Other creditors	111,431	16,407
Accruals and deferred income	536,018	572,761
	<u>6,576,918</u>	<u>15,714,020</u>

Details of amounts owed to group undertakings are shown in note 21.

16. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year or on demand:		
Ultimate parent company loan	<u>47,500</u>	<u>47,500</u>

The Ultimate parent company loan is interest free and unsecured.

The parent undertaking has confirmed that it will not demand repayment of its current account to the detriment of other creditors for at least twelve months from the date of approval of these accounts.

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 31 December 2016

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Within one year	111,763	137,550
Between one and five years	<u>57,902</u>	<u>127,665</u>
	<u>169,665</u>	<u>265,215</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
100	Ordinary	1p	<u>1</u>	<u>1</u>

19. RESERVES

	Retained earnings £
At 1 January 2016	(2,590,552)
Deficit for the year	<u>(57,710)</u>
At 31 December 2016	<u>(2,648,262)</u>

20. CONTINGENT LIABILITIES

The company has given cross guarantees to National Westminster Bank Plc in respect of the bank overdrafts of other members of the HR GO Plc group of companies. At 30 December the bank overdrafts under this guarantee amounted to £nil (2015: £nil).

21. RELATED PARTY DISCLOSURES

- HR GO Plc, the parent company, provided management and accounting services to the company during the period, for which its charges amounted to £1,736,866 (2015: £1,782,462).
- HR GO Plc charged/(paid) interest on outstanding inter-group balances at 3.0% above base rate and 2.5% respectively. This amounted to £312,681/(£14,840) (2015: £340,229/(£nil)).
- During the period the company received £nil (2015: £64,880) from HR GO (London) Ltd, a subsidiary company, for commission charged.

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 31 December 2016

Amount due from/(to) related party at balance sheet date

Name of company		2016 Amount Receivable	2016 Amount Payable	2015 Amount Receivable	2015 Amount Payable
HR GO plc	parent	-	(5,063,054)	-	(14,588,209)
HR GO (London) Ltd	subsidiary	-	(1,000)	206	-
HR GO (Huntingdon) Ltd	subsidiary	17,900	-	3,292	-
HR GO (Nottingham) Ltd	subsidiary	-	-	2,277	-
HR GO (Newcastle) Ltd	subsidiary	311	-	4,387	-
HR GO (Liverpool) Ltd	subsidiary	32,999	-	-	-
RHL (Bristol) Ltd	fellow subsidiary	-	-	43,796	-
HR GO (Northampton) Ltd	fellow subsidiary	8,577	-	990,094	-
HR GO (Kent) Ltd	fellow subsidiary	-	(498,750)	7,203,761	-
HR GO (Somerset) Ltd	fellow subsidiary	-	(33,936)	106,754	-
HR GO (Driving North) Ltd	fellow subsidiary	19,746	-	964,248	-
HR GO (Driving South) Ltd	fellow subsidiary	22,510	-	190,783	-
Other	subsidiaries	-	(200)	-	(300)

22. ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent undertaking is HR GO Plc, a company incorporated in Great Britain. The controlling party is J C Parkinson by virtue of his controlling interest in the immediate and ultimate parent undertaking. The parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared is HR GO Plc. Copies of the financial statements of the immediate and ultimate parent undertaking can be obtained from The Secretary, HR GO Plc, Wellington House, Church Road, Ashford, Kent, TN23 1RE.

23. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Loss before taxation	(95,867)	(257,588)
Depreciation charges	105,658	188,111
Loss/(profit) on disposal of fixed assets	22,940	(12,653)
Profit/(loss) on sale of operation	-	(353,412)
Finance costs	312,681	340,540
Finance income	(118,391)	(77,358)
	227,021	(172,360)
Decrease/(increase) in trade and other debtors	9,097,097	(8,003,288)
(Decrease)/increase in trade and other creditors	(9,122,162)	3,868,789
Cash generated from operations	201,956	(4,306,859)

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 31 December 2016

24. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>4,421</u>	<u>18,706</u>

Period ended 31 December 2015

	31.12.15	31.12.14
	£	£
Cash and cash equivalents	18,706	3,000
Bank overdrafts	<u>-</u>	<u>(21,078)</u>
	<u>18,706</u>	<u>(18,078)</u>

25. TRANSITION TO FRS 102

These financial statements for the year ended 31 December 2016 are the company's first financial statements that comply with FRS 102. The company's date of transition to FRS 102 was 31 December 2014. The company's last financial statements prepared in accordance with previous UK GAAP were for the period ended 31 December 2015.

The following explanatory notes to the financial statements describe the differences between the equity and profit or loss presented under previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended at 31 December 2015 (ie comparative information), as well as the equity presented in the opening statement of financial position (ie at 31 December 2014).

Loans

FRS 102 requires that all loans that are payable/receivable in more than one year are carried at amortised cost in the financial statements. For those loans that are interest free, this involves calculating the NPV of the loan using the effective interest method. Loans with no formal agreements in place are considered to be payable/receivable within one year. As there are no formal agreements in place, all loans have been reclassified as payable/receivable within one year.

The above transitional adjustment has been processed through the balance sheet at 30 December 2014 and 31 December 2015. As a result a loan of £47,500 previously stated in creditors after one year has been moved to creditors due within one year. The adjustment has had no impact on the previously stated equity of the company at 30 December 2014 and 31 December 2015. There were no changes to the company's income statement as a result of the transition to FRS 102.