

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
HR GO RECRUITMENT LIMITED**



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For The Year Ended 31 December 2018**

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HR GO RECRUITMENT LIMITED

COMPANY INFORMATION

For The Year Ended 31 December 2018

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:

BDO 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

STRATEGIC REPORT

For The Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF BUSINESS

The company reports an operating profit of £696k for the year (2017: loss £72k).

Turnover has increased in the year by 31% to £15.2m (2017: £11.6m) with an increase in gross profit of 20.6% to £3.3m (2017: £2.73m) This increase is largely attributable to the growth in our national sales contract and following our expansion into new areas additional revenue from two new branches.

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.

FINANCIAL RISK MANAGEMENT

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 enquiries 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.

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

STRATEGIC REPORT

For The Year Ended 31 December 2018

FINANCIAL KEY PERFORMANCE INDICATORS

The key financial performance indicators used by the company are turnover and operating profit as indicated in the review of business.

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 June 2019

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

REPORT OF THE DIRECTORS For The Year Ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

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 2018.

FUTURE DEVELOPMENTS

The profitability of the company has enabled the continued investment in technology which we see as our key strategy for success in attracting new business partners and enabling us to keep pace with technological advancements allowing us to compete successfully on National Sales contract bids.

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 2018 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 uncertainties, financial risk management 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.

**REPORT OF THE DIRECTORS
For The Year Ended 31 December 2018**

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', written over a horizontal line.

R G Barrow - Secretary

28 June 2019

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

Opinion

We have audited the financial statements of HR GO Recruitment Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, 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 UK, including the FRC'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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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

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

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 Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 a Report of the Auditors 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 Report of the Auditors.

Use of our report

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.

BDO LLP

Gareth Jones FCA (Senior Statutory Auditor)
for and on behalf of BDO LLP
Statutory Auditor
London

15 August 2019

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

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)**STATEMENT OF COMPREHENSIVE INCOME****For The Year Ended 31 December 2018**

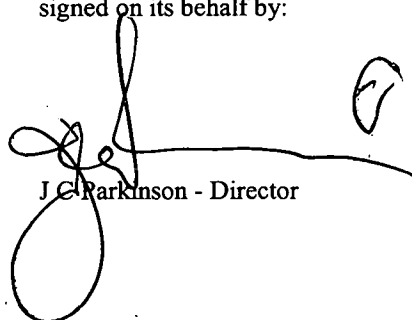
	Notes	2018 £	2017 £
TURNOVER		15,198,653	11,646,573
Cost of sales		<u>(11,896,864)</u>	<u>(8,909,834)</u>
GROSS PROFIT		3,301,789	2,736,739
Administrative expenses		<u>(5,269,204)</u>	<u>(5,014,305)</u>
		(1,967,415)	(2,277,566)
Other operating income	4	<u>2,663,702</u>	<u>2,205,949</u>
OPERATING PROFIT/(LOSS)	6	696,287	(71,617)
Income from shares in group undertakings		213,319	215,254
Interest receivable and similar income	7	<u>16,488</u>	<u>16,763</u>
		926,094	160,400
Interest payable and similar expenses	8	<u>(308,414)</u>	<u>(251,711)</u>
PROFIT/(LOSS) BEFORE TAXATION		617,680	(91,311)
Tax on profit/(loss)	9	<u>(48,501)</u>	<u>(27,826)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		569,179	(119,137)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u><u>569,179</u></u>	<u><u>(119,137)</u></u>

The notes on pages 12 to 25 form part of these financial statements

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)**BALANCE SHEET**
31 December 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	10	535,254	602,161
Tangible assets	11	187,120	132,555
Investments	12	<u>859,270</u>	<u>793,980</u>
		<u>1,581,644</u>	<u>1,528,696</u>
CURRENT ASSETS			
Debtors	13	3,484,736	3,028,991
Cash at bank and in hand		<u>1,310</u>	<u>650</u>
		3,486,046	3,029,641
CREDITORS			
Amounts falling due within one year	14	<u>(7,222,336)</u>	<u>(7,303,944)</u>
NET CURRENT LIABILITIES		<u>(3,736,290)</u>	<u>(4,274,303)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,154,646)	(2,745,607)
CREDITORS			
Amounts falling due after more than one year	15	<u>(43,573)</u>	<u>(21,791)</u>
NET LIABILITIES		<u>(2,198,219)</u>	<u>(2,767,398)</u>
CAPITAL AND RESERVES			
Called up share capital	18	1	1
Retained earnings	19	<u>(2,198,220)</u>	<u>(2,767,399)</u>
SHAREHOLDERS' FUNDS		<u>(2,198,219)</u>	<u>(2,767,398)</u>

The financial statements were approved and authorised for issue by the Board of Directors on 28 June 2019 and were signed on its behalf by:



J C Parkinson - Director

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)**STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 December 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	1	(2,648,262)	(2,648,261)
Deficit for the year	-	(119,137)	(119,137)
Total comprehensive loss	-	(119,137)	(119,137)
Balance at 31 December 2017	1	(2,767,399)	(2,767,398)
Profit for the year	-	569,179	569,179
Total comprehensive income	-	569,179	569,179
Balance at 31 December 2018	1	(2,198,220)	(2,198,219)

The notes on pages 12 to 25 form part of these financial statements

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

CASH FLOW STATEMENT

For The Year Ended 31 December 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	23	298,359	295,732
Interest paid		(306,405)	(251,442)
Interest element of hire purchase payments paid		(2,009)	(269)
Tax paid		<u>(48,501)</u>	<u>(27,826)</u>
Net cash from operating activities		<u>(58,556)</u>	<u>16,195</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(65,316)	(78,992)
Purchase of fixed asset investments		(65,540)	(88,227)
Sale of tangible fixed assets		6,777	3,178
Sale of fixed asset investments		101	-
Interest received		16,488	16,763
Dividends received		<u>189,880</u>	<u>131,082</u>
Net cash from investing activities		<u>82,390</u>	<u>(16,196)</u>
Cash flows from financing activities			
Capital repayments in year		<u>(22,077)</u>	<u>(4,867)</u>
Net cash from financing activities		<u>(22,077)</u>	<u>(4,867)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,757</u>	<u>(4,868)</u>
Cash and cash equivalents at beginning of year	24	<u>(447)</u>	<u>4,421</u>
Cash and cash equivalents at end of year	24	<u><u>1,310</u></u>	<u><u>(447)</u></u>

The notes on pages 12 to 25 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2018

1. 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.

2. 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 as modified by the revaluation of certain assets.

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 his enquiries 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.

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.

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

Goodwill represents the excess of the consideration paid over the fair value of the identifiable net assets at the date of acquisition. Goodwill is amortised in equal instalments over its useful economic life, which is the period from which the company expects to derive economic benefit from the asset which is considered to be 10 years.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

2. 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.

Deferred taxation

Deferred tax is recognised in respect of all material 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

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.

Functional currency

The financial statements are presented in sterling which is the functional currency of the company.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

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.

When preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The judgements and estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Goodwill

The company establishes a reliable estimate of the useful life of goodwill arising in business combination based on a variety of factors including historical experience and expected useful life of the cash generating unit to which the goodwill is attributed.

Impairment reviews

The carrying value of goodwill and investments is reviewed by management annually for indicators of impairment. The process of evaluating any potential impairment requires significant judgement. Management consider all information available to them when reviewing for impairment.

4. OTHER OPERATING INCOME

Other operating income comprises management charges receivable from related undertakings and other sundry income.

5. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	1,978,788	1,726,032
Social security costs	212,398	178,666
Other pension costs	44,544	29,326
	<u>2,235,730</u>	<u>1,934,024</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018**5. EMPLOYEES AND DIRECTORS - continued**

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

	2018	2017
Office and management	<u>59</u>	<u>52</u>

	2018	2017
	£	£
Directors' remuneration	165,340	147,787
Directors' pension contributions to money purchase schemes	<u>4,999</u>	<u>14,000</u>

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

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

The company considers there to be no key management personnel outside the board of directors.

6. OPERATING PROFIT/(LOSS)

The operating profit (2017 - operating loss) is stated after charging:

	2018	2017
	£	£
Operating lease expense - land and buildings	140,437	103,219
Depreciation - owned assets	45,214	32,486
Depreciation - assets on hire purchase contracts	23,882	2,053
Loss on disposal of fixed assets	97	436
Goodwill amortisation	66,907	66,907
Auditor's remuneration	<u>20,000</u>	<u>10,350</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.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£	£
Amounts receivable from group undertakings	15,935	16,763
Other interest receivable	<u>553</u>	<u>-</u>
	<u>16,488</u>	<u>16,763</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Amounts payable to group undertakings	306,405	251,442
Finance leases and hire purchase contracts	<u>2,009</u>	<u>269</u>
	<u>308,414</u>	<u>251,711</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
Group Relief	<u>48,501</u>	<u>27,826</u>
Tax on profit/(loss)	<u>48,501</u>	<u>27,826</u>

UK corporation tax has been charged at 19% (2017 - 19.25%).

Reconciliation of total tax charge 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:

	2018 £	2017 £
Profit/(loss) before tax	<u>617,680</u>	<u>(91,311)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	117,359	(17,577)
Effects of:		
(Expenses)/income disallowed for tax purposes	(37,354)	44,712
Depreciation in excess of capital allowances	15,552	11,115
Tax losses brought forward fellow subsidiaries	(801,144)	(850,390)
Adjustment to tax charge in respect of previous period	(1,561)	3,937
Adjustment to tax losses brought forward	10,122	34,885
Tax losses carried forward	<u>745,527</u>	<u>801,144</u>
Total tax charge	<u>48,501</u>	<u>27,826</u>

A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% will be effective from 1 April 2020.

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2018	
and 31 December 2018	<u>1,763,914</u>
AMORTISATION	
At 1 January 2018	1,161,753
Amortisation for year	<u>66,907</u>
At 31 December 2018	<u>1,228,660</u>
NET BOOK VALUE	
At 31 December 2018	<u>535,254</u>
At 31 December 2017	<u>602,161</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

10. INTANGIBLE FIXED ASSETS - continued

Amortisation brought forward above includes impairment losses of £692,616 (2017: £692,616).

11. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Vehicles, equipment and fixtures & fittings £	Totals £
COST			
At 1 January 2018	63,163	540,306	603,469
Additions	18,894	111,492	130,386
Disposals	-	(60,102)	(60,102)
At 31 December 2018	<u>82,057</u>	<u>591,696</u>	<u>673,753</u>
DEPRECIATION			
At 1 January 2018	35,900	435,014	470,914
Charge for year	10,855	58,241	69,096
Eliminated on disposal	-	(53,377)	(53,377)
At 31 December 2018	<u>46,755</u>	<u>439,878</u>	<u>486,633</u>
NET BOOK VALUE			
At 31 December 2018	<u>35,302</u>	<u>151,818</u>	<u>187,120</u>
At 31 December 2017	<u>27,263</u>	<u>105,292</u>	<u>132,555</u>

The net book value of tangible fixed assets includes £90,420 (2017 - £37,492) in respect of assets held under hire purchase contracts.

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2018	1,773,949
Additions	65,540
Disposals	(187,806)
At 31 December 2018	<u>1,651,683</u>
PROVISIONS	
At 1 January 2018	979,969
Reversal of impairments	(187,556)
At 31 December 2018	<u>792,413</u>
NET BOOK VALUE	
At 31 December 2018	<u>859,270</u>
At 31 December 2017	<u>793,980</u>

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)**NOTES TO THE FINANCIAL STATEMENTS - continued****For The Year Ended 31 December 2018****12. FIXED ASSET INVESTMENTS - continued**

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

HR GO (Norwich) Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Recruitment

	% holding	2018	2017
Class of shares:		£	£
1p Ordinary	89.83		
Aggregate capital and reserves		233,983	226,056
Profit for the year		<u>12,927</u>	<u>29,892</u>

HR Care (Manchester) Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Dormant

	% holding	2018	2017
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: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Recruitment

	% holding	2018	2017
Class of shares:		£	£
1p Ordinary	100.00		
Aggregate capital and reserves		70,941	96,300
(Loss)/profit for the year		<u>(25,359)</u>	<u>46,308</u>

HR Go (Crawley) Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Dormant

	% holding	2018	2017
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 2018****12. FIXED ASSET INVESTMENTS - continued****HR GO (Doncaster) Ltd**

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Recruitment

	% holding	2018 £	2017 £
Class of shares:			
1p Ordinary	80.00		
Aggregate capital and reserves		213,060	182,638
Profit for the year		<u>55,422</u>	<u>107,376</u>

HR GO (Glasgow) Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Recruitment

	% holding	2018 £	2017 £
Class of shares:			
1p Ordinary	89.70		
Aggregate capital and reserves		68,022	55,587
Profit for the year		<u>24,435</u>	<u>8,309</u>

Complete Events & Crew Services Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
1p Ordinary			
Aggregate capital and reserves		<u>-</u>	<u>100</u>

On 28 November 2018 the company sold 100% of the share capital in Complete Events & Crew Services Ltd for £100.

HR GO (Liverpool) Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Recruitment

	% holding	2018 £	2017 £
Class of shares:			
1p Ordinary	82.90		
Aggregate capital and reserves		1,094,491	881,053
Profit for the year		<u>425,438</u>	<u>268,453</u>

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)**NOTES TO THE FINANCIAL STATEMENTS - continued**
For The Year Ended 31 December 2018**12. FIXED ASSET INVESTMENTS - continued****HR GO (Newcastle) Ltd**

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Recruitment

	% holding	2018 £	2017 £
Class of shares:			
1p Ordinary	100.00		
Aggregate capital and reserves		(207,431)	(220,419)
Profit/(loss) for the year		<u>12,988</u>	<u>(59,941)</u>

Newcastle Business Services Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Holding Company

	% holding	2018 £	2017 £
Class of shares:			
1p Ordinary direct	50.00		
1p Ordinary indirect	50.00		
Aggregate capital and reserves		<u>100</u>	<u>100</u>

A.C Appointments Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Recruitment

	% holding	2018 £
Class of shares:		
£1 Ordinary	100.00	
Aggregate capital and reserves		22,960
Loss for the year		<u>(38)</u>

On 30 April 2018 the company acquired 100% of the share capital in A.C Appointments Ltd for £52,758.

HR GO (Nottingham) Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
1p Ordinary	100.00		
Aggregate capital and reserves		100	100
Loss for the year		<u>-</u>	<u>(71,226)</u>

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued

For The Year Ended 31 December 2018

12. FIXED ASSET INVESTMENTS - continued

HR GO (Ashford) Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
1p Ordinary	100.00		
Aggregate capital and reserves		<u>(4,000)</u>	<u>(4,000)</u>

HR GO (Dover) Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Recruitment

	% holding	2018 £	2017 £
Class of shares:			
£1 Ordinary	100.00		
Aggregate capital and reserves		6,352	1,000
Profit for the year		<u>5,352</u>	<u>-</u>

HR GO (Great Yarmouth) Ltd

Registered office: Wellington House, Church Road, Ashford, Kent, TN23 1RE

Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
1p Ordinary	60.00		
Aggregate capital and reserves		<u>100</u>	<u>100</u>

The company's significant investments at the balance sheet date in the share capital of the companies include the following:

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	2,743,225	2,359,471
Amounts owed by group undertakings	153,248	98,053
Other debtors	32,578	53,991
Dividend receivable	211,018	187,579
Prepayments	<u>344,667</u>	<u>329,897</u>
	<u>3,484,736</u>	<u>3,028,991</u>

Details of amounts owed by group undertakings are shown in note 20.

NOTES TO THE FINANCIAL STATEMENTS - continued

For The Year Ended 31 December 2018

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 16)	-	1,097
Other loans (see note 16)	47,500	47,500
Hire purchase contracts (see note 17)	34,098	12,887
Trade creditors	128,004	135,379
Amounts owed to group undertakings	5,443,740	5,991,419
Social security and other taxes	277,752	218,543
Other creditors	386,964	220,828
Accruals and deferred income	904,278	676,291
	<u>7,222,336</u>	<u>7,303,944</u>

Details of amounts owed to group undertakings are shown in note 20.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Hire purchase contracts (see note 17)	<u>43,573</u>	<u>21,791</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	1,097
Ultimate parent company loan	<u>47,500</u>	<u>47,500</u>
	<u>47,500</u>	<u>48,597</u>

Bank loans and overdrafts are secured by fixed and floating charge over the assets of the company.

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.

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	34,098	12,887
Between one and five years	<u>43,573</u>	<u>21,791</u>
	<u>77,671</u>	<u>34,678</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

For The Year Ended 31 December 2018

17. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	143,030	111,976
Between one and five years	<u>376,561</u>	<u>175,946</u>
	<u>519,591</u>	<u>287,922</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
100	Ordinary	lp	<u>1</u>	<u>1</u>

19. RESERVES

Called up share capital - This reserve records the nominal value received for shares issued. Details of the shares can be found in note 17.

Retained earnings - This reserve records retained earnings and accumulated losses.

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 31 December the bank overdrafts under this guarantee amounted to £nil (2017: £nil).

HR GO RECRUITMENT LIMITED (REGISTERED NUMBER: 05798112)

NOTES TO THE FINANCIAL STATEMENTS - continued

For The Year Ended 31 December 2018

21. RELATED PARTY DISCLOSURES

- a) HR GO Plc, the parent company, provided management and accounting services to the company during the period, for which its charges amounted to £1,973,083 (2017: £1,812,400).
- b) HR GO Plc charged/(paid) interest on outstanding inter-group balances at 3.0% above base rate and 2.5% respectively. This amounted to £306,405/(£15,935) (2017: £251,442/(£16,763)).
- c) During the year the company received £13,200 (2017: £11,200) from HR GO (Driving North) Ltd, a fellow subsidiary for accommodation rent.
- d) During the year the company received £9,950 (2017: £nil) from Airport Placements Ltd, a fellow subsidiary for accommodation rent.
- e) Dividends receivable in the year of £213,319 (2017: £215,254) include £175,762 (2017: £137,940) from HR GO (Liverpool) Ltd, £4,492 (2017: £13,026) from HR GO (Norwich) Ltd, £20,000 (2017: £40,000) from HR GO (Doncaster) Ltd, £2,300 (2017: £20,700) from HR GO (Huntingdon) Ltd and £10,765 (2017: £3,588) from HR GO (Glasgow) Ltd all subsidiary companies.
- f) During the year the company provided management and accounting services to related undertakings, for which its charges amounted to £2,216,817 (2017: £2,084,330).

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

Name of company		2018 Amount Receivable	2018 Amount Payable	2017 Amount Receivable	2017 Amount Payable
HR GO plc	parent	-	(4,743,625)	-	(5,413,751)
HR GO (Dover) Ltd	subsidiary	-	(2,466)	-	(1,000)
HR GO (Huntingdon) Ltd	subsidiary	19,519	-	17,900	-
HR GO (Nottingham) Ltd	subsidiary	2,295	-	33,126	-
HR GO (Newcastle) Ltd	subsidiary	-	-	-	-
HR GO (Liverpool) Ltd	subsidiary	-	(90,720)	31,636	-
HR GO (Doncaster) Ltd	subsidiary	-	(1,902)	-	-
AC Appointments Ltd	subsidiary	24,358	-	-	-
HR GO (Northampton) Ltd	fellow subsidiary	99,624	-	-	(9,711)
HR GO (Kent) Ltd	fellow subsidiary	-	(604,927)	-	(536,383)
HR GO (Driving North) Ltd	fellow subsidiary	7,096	-	15,391	-
HR GO (Driving South) Ltd	fellow subsidiary	-	-	-	-
HR GO (Driving Fenlands) Ltd	fellow subsidiary	356	-	-	-
Space Between Group Ltd	fellow subsidiary	-	-	-	(30,374)
Other	subsidiaries	-	(100)	-	(200)

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

23. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit/(loss) before taxation	617,680	(91,311)
Depreciation charges	136,003	101,446
Loss on disposal of fixed assets	97	436
Finance costs	308,414	251,711
Finance income	<u>(229,807)</u>	<u>(232,017)</u>
	832,387	30,265
Increase in trade and other debtors	(432,306)	(447,575)
(Decrease)/increase in trade and other creditors	<u>(101,722)</u>	<u>713,042</u>
Cash generated from operations	<u>298,359</u>	<u>295,732</u>

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 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	1,310	650
Bank overdrafts	<u>-</u>	<u>(1,097)</u>
	<u>1,310</u>	<u>(447)</u>

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	650	4,421
Bank overdrafts	<u>(1,097)</u>	<u>-</u>
	<u>(447)</u>	<u>4,421</u>