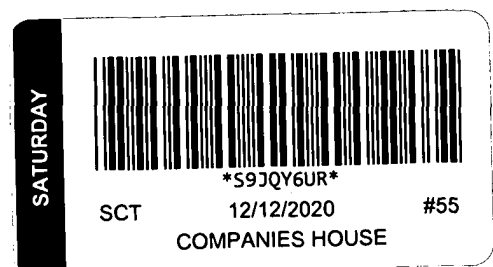


Advance Global Recruitment Limited

Registered number: SC396083

Annual report

For the year ended 31 December 2019



ADVANCE GLOBAL RECRUITMENT LIMITED

COMPANY INFORMATION

Directors	C R Taylor S J Hunter
Registered number	SC396083
Registered office	Unit 16 Beaverbank Business Park Logie Mill Edinburgh EH7 4HG
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD
Bankers	The Royal Bank of Scotland plc 109 George Street Edinburgh EH2 4JW
Solicitors	Addleshaw Goddard LLP Exchange Tower 19 Canning Street Edinburgh EH3 8EH

ADVANCE GLOBAL RECRUITMENT LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 5
Independent Auditor's Report	6 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 24

ADVANCE GLOBAL RECRUITMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The principle activity of the Company is the provision of recruitment consultancy and personnel to the Energy, Marine and Renewable sectors.

Business review

The Company delivered revenue of £34.9m (2018: £20.2m) and gross profit of £5.61m (16.1%) for the year (2018: £3.02m (14.9%)) reflecting the Company's continued growth within its key sectors and additional regions.

After the year end, the global Covid-19 pandemic has had an impact on trading however at the time of signing these accounts, the performance reflects higher-than 2018 levels in both revenues and profitability.

Principal risks and uncertainties

Our Risk Management process forms part of our Quality Management System under our ISO9001:2015 certification and is therefore subject to regular external audits.

- **Market Risk**

The ongoing uncertainties surrounding the global pandemic are at the forefront of the Company's ongoing business strategy both from a client perspective and the mobility of personnel traveling to and from countries.

- **Regulatory Risk**

As a result of the Company operating in many geographical markets there is exposure to legislative changes brought about as a result of Brexit, IR35 and Wet Arbeidsmarkt in Balans (WAB). In order to reduce the risk of non-compliance, the Company works with a set of experts who can advise and assist the Company adhere to local regulations.

- **Credit Risk**

The global pandemic has increased the risk of default from trade receivables. The Company has increased its vigilance in respect of overdue trade receivables and are actively engaging with clients early whilst reducing its financial risk via the Company's credit insurance policy with Atradius.

- **Currency Risk**

The Company manages its foreign currency risk by maintaining a proportionate relationship between its sales and costs across its GBP, EUR and USD currency transactions. The Company maintains a strong level of natural hedging however where possible uses FX forward contracts to hedge against future fluctuations.

Financial key performance indicators

The Company's key driver is Gross Margin and this is reviewed on a weekly basis. Even with increasing turnover by around 70%, the Company has maintained Gross Profit Margin at 15%. This has been achieved through agreed rate cards with clients with aligned pay rates to personnel and a range of sales techniques.

Other key performance indicators include client retention rate, vacancy conversion, EBITDA and current ratio, all of which are monitored on a monthly basis.

ADVANCE GLOBAL RECRUITMENT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the Board and signed on its behalf.

Cameron Taylor

Cameron Taylor (Dec 7, 2020 13:50 GMT)

C R Taylor
Director

Date: Dec 7, 2020

ADVANCE GLOBAL RECRUITMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

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; 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.

Principal activity

The principal activity of the company during the year was that of recruitment consultancy.

Results and dividends

The profit for the year, after taxation, amounted to £1,840,089 (2018 - £898,253).

ADVANCE GLOBAL RECRUITMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Impact of the COVID-19 coronavirus and the United Kingdom leaving the European Union

The ongoing impact and uncertainties caused by the global pandemic are at the forefront of the Company's ongoing business strategy from a financial perspective and safety of our staff, clients and personnel.

The Company requires all personnel maintain temperature diaries for a period of 14 days prior to travelling and we continue to work with clients and personnel to ensure in-country quarantine protocols are followed.

The Company undertook a variety of measures in the wake of the pandemic. The UK Government's Furlough Scheme was used to reduce overheads and to protect jobs whilst cashflow forecasts were updated and detailed sensitivity analysis carried-out at the end of Q1. Performance continues to be monitored against these forecasts and we are happy to report our business continues to outperform the downside sensitivities.

The Company continues to work with its expert advisors to ensure minimal trading disruption when the transition period for the UK leaving the EU single market and customs union comes to an end on 31st December 2020.

During the year, the Company took significant steps towards expanding its presence across Europe, Africa, Asia and South America through a series of strategic partnerships.

Directors

The Directors who served during the year were:

C R Taylor
S J Hunter

Future developments

In 2020 the Company opened its new office in Dubai, UAE with a further European office planned for 2021. Increasing our global footprint through opening offices or continuing to expand our network of strategic partners will enable the Company to target new sectors and attract new talent whilst retain its core processes and values.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the Director's Report have been omitted as they are included in the Strategic Report. These matters include a fair review of the Company's business and a description of the Company's principal risks and uncertainties.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ADVANCE GLOBAL RECRUITMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the Board and signed on its behalf.

Cameron Taylor
Cameron Taylor (Dec 7, 2020 13:50 GMT)

C R Taylor
Director

Date: Dec 7, 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCE GLOBAL RECRUITMENT LIMITED

Opinion

We have audited the financial statements of Advance Global Recruitment Limited (the 'Company') for the year ended Tuesday, 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 FRS 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 Tuesday, 31 December 2019 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 Auditor's 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.

Other matter

Without qualifying our opinion we draw attention to the Accounting Policies on page 13 to the financial statements and the fact that the comparative information in the accounts was unaudited as the Company was entitled to exemption from audit.

Emphasis of matter - Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the financial statements, which is not modified, we draw your attention to the Directors view on the impact of COVID-19 as discussed on page 4, and the consideration of the going concern basis of preparation on page 12 and non-adjusting post balance sheet events on page 24.

Since the Statement of Financial Position date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and causing widespread disruption to the normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the implications to the Company's trade, customers, suppliers and the wider economy.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCE GLOBAL RECRUITMENT LIMITED

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 included in the Annual Report, other than the financial statements and our auditor's 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.

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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCE GLOBAL RECRUITMENT LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 auditor's report.

Use of the audit 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.


Fiona Martin (Dec 9, 2020 08:51 GMT)

Fiona Martin (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date: Dec 9, 2020

ADVANCE GLOBAL RECRUITMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	Unaudited 2018 £
Turnover	4	34,890,769	20,232,778
Cost of sales		(29,285,492)	(17,208,978)
Gross profit		<u>5,605,277</u>	<u>3,023,800</u>
Administrative expenses		(2,806,597)	(1,753,391)
Other operating income	5	26,977	-
Operating profit	6	<u>2,825,657</u>	<u>1,270,409</u>
Tax on profit	10	(985,568)	(372,156)
Profit for the financial year		<u><u>1,840,089</u></u>	<u><u>898,253</u></u>
Total comprehensive income for the year		<u><u>1,840,089</u></u>	<u><u>898,253</u></u>

The notes on pages 12 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	Restated Unaudited 2018 £
Fixed assets			
Tangible fixed assets	12	43,426	18,441
Current assets			
Debtors	13	8,542,186	4,828,357
Cash and cash equivalents	14	475,686	250,806
		9,017,872	5,079,163
Creditors: amounts falling due within one year	15	(7,500,349)	(4,304,448)
Net current assets		1,517,523	774,715
Total assets less current liabilities		1,560,949	793,156
Provisions for liabilities			
Deferred tax	16	(7,382)	(1,765)
		(7,382)	(1,765)
Net assets		1,553,567	791,391
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account	18	1,553,467	791,291
		1,553,567	791,391

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Dec 7, 2020

Cameron Taylor
Cameron Taylor (Dec 7, 2020 13:50 GMT)

C R Taylor
Director

The notes on pages 12 to 24 form part of these financial statements.

ADVANCE GLOBAL RECRUITMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	100	484,135	484,235
Comprehensive income for the year			
Profit for the year	-	898,253	898,253
Contributions by and distributions to owners			
Dividends: Equity capital	-	(591,097)	(591,097)
At 1 January 2019	100	791,291	791,391
Comprehensive income for the year			
Profit for the year	-	1,840,089	1,840,089
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,077,913)	(1,077,913)
At 31 December 2019	100	1,553,467	1,553,567

The notes on pages 12 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Advance Global Recruitment Limited is a private company, limited by shares and registered in Scotland. The Company's registered office and principal place of business is Unit 16, Beaverbank Business Park, Logie Mill, Edinburgh, EH7 4HG.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The comparative information in the accounts was unaudited as the Company was entitled to exemption from audit.

The following principal accounting policies have been applied:

2.2 Going concern

The Company's cashflow forecasts have been updated in respect of the impact of the Covid-19 pandemic. Performance continues to be monitored against these forecasts and Directors are satisfied that business continues to outperform the downside sensitives.

The Company's trading performance and balance sheet strength coupled with its continued monitoring of forecasts and KPIs allows it to adopt a going concern basis in preparing the annual financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue 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 revenue 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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Office equipment	- 33% reducing balance
------------------	------------------------

2.9 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.

2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

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 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.13 Financial instruments

The Company only enters into basic financial instrument 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, loans to related parties and investments in ordinary shares.

2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

In the application of the Company's accounting policies, the Director is required to make judgements, estimations and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are the Company's key sources of estimation uncertainty:

Accruals

Any accruals are initially identified by the individual department and considered centrally as part of the monthly reporting process. Management considers whether there have been any past transactions for which they have an obligation that is not already shown as a payable in the accounting records.

Withholding tax provision

Any invoices raised in countries outside of the UK are used as the basis of identifying transactions. Withholding tax provision is calculated by the Finance Director by estimating the tax provision due on invoices raised in various countries of operation. The most up to date tax rates are used to do this. The estimation is reviewed by the Board as part of the monthly management accounts process.

4. Turnover

The whole of the Company's turnover is attributable to its principal activity which is that of recruitment consultancy. 43% (2018 - 51%) of the Company's turnover is attributable to geographical markets outside the United Kingdom.

5. Other operating income

	2019 £	2018 £
Supplier rebate	26,977	-

6. Operating profit

The operating profit is stated after charging:

	2019 £	Unaudited 2018 £
Depreciation	11,708	4,945
Exchange differences	124,348	19,071
Operating lease rentals	45,201	36,758

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Auditor's remuneration

	2019 £	Unaudited 2018 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	12,000	-

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.

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2019 £	Unaudited 2018 £
Wages and salaries	1,507,059	983,253
Social security costs	163,970	99,866
Cost of defined contribution pension scheme	45,735	32,609
	<u>1,716,764</u>	<u>1,115,728</u>

The average monthly number of employees, including Directors, during the year was 34 (2018 - 25).

9. Directors' remuneration

	2019 £	Unaudited 2018 £
Directors' emoluments	28,795	29,152
Company contributions to defined contribution pension schemes	24,000	24,000
	<u>52,795</u>	<u>53,152</u>

During the year retirement benefits were accruing to 2 Directors (2018 - 2) in respect of defined contribution pension schemes.

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Taxation

	2019	Unaudited
	£	2018
		£
Corporation tax		
Current tax on profits for the year	425,664	224,678
Adjustments in respect of previous periods	(11,384)	-
Foreign tax		
Foreign tax on income for the year	565,671	147,478
Total current tax	<u>979,951</u>	<u>372,156</u>
Deferred tax		
Origination and reversal of timing differences	5,617	-
Total deferred tax	<u>5,617</u>	<u>-</u>
Taxation on profit on ordinary activities	<u><u>985,568</u></u>	<u><u>372,156</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	Unaudited 2018 £
Profit on ordinary activities before tax	2,825,657	1,270,409
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	536,875	241,378
Effects of:		
Expenses not deductible for tax purposes	1,212	1,123
Income not taxable for tax purposes	-	(225)
Other permanent differences	(107,478)	(24,926)
Foreign tax credits	565,671	147,478
Adjustments to tax charge in respect of prior period	(11,384)	-
Adjustment to deferred tax charge	(589)	(23)
Deferred tax not recognised	610	(199)
Overprovision	-	4,803
Adjustments to brought forward values	1,309	2,747
Group relief	(658)	-
Total tax charge for the year	985,568	372,156

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2019 £	Unaudited 2018 £
Dividends paid on ordinary shares	1,077,913	591,097

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2019	38,793
Additions	37,780
Disposals	(3,018)
At 31 December 2019	<u>73,555</u>
Depreciation	
At 1 January 2019	20,352
Charge for the year	11,708
Disposals	(1,931)
At 31 December 2019	<u>30,129</u>
Net book value	
At 31 December 2019	<u>43,426</u>
At 31 December 2018	<u>18,441</u>

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Debtors

	2019	Restated Unaudited 2018
	£	£
Trade debtors	7,971,366	4,101,741
Amounts owed by parent (Note 22)	204,035	204,945
Other debtors	284,855	181,074
Prepayments and accrued income	81,930	340,597
	<u>8,542,186</u>	<u>4,828,357</u>

Included in trade debtors, which is stated after a provision, are balances amounting to £7,971,366 (2018 - £4,157,663) which are subject to an invoice finance agreement.

14. Cash and cash equivalents

	2019	Restated Unaudited 2018
	£	£
Cash at bank and in hand	<u>475,686</u>	<u>250,806</u>

15. Creditors: Amounts falling due within one year

	2019	Restated Unaudited 2018
	£	£
Trade creditors	679,768	308,848
Corporation tax	425,664	228,584
Other taxation and social security	503,752	152,582
Other creditors	4,762,667	3,205,394
Accruals and deferred income	1,128,498	409,040
	<u>7,500,349</u>	<u>4,304,448</u>

Included within other creditors is £4,484,308 (2018 - £3,100,924) drawn down under an invoice finance agreement. These amounts are secured by a floating charge.

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Deferred taxation

	2019 £
At beginning of year	(1,765)
Movement in the year	(5,617)
At end of year	(7,382)

The provision for deferred taxation, which is calculated based on a tax rate of 17% (2018 - 17%), is made up as follows:

	2019 £	Unaudited 2018 £
Fixed asset timing differences	(7,642)	(2,025)
Short term timing differences	260	260
	(7,382)	(1,765)

The UK Budget 2020 announced that the corporation tax rate was to be held at 19% rather than the reduced to 17% with effect from 1 April 2020 as previously enacted. This provision was substantially enacted on 17 March 2020, after the end of the reporting period, and so deferred tax closing balances have been calculated at 17%. Had the 19% rate been applied instead, the closing deferred tax liability would have increased by £967 to £8,250.

17. Share capital

	2019 £	Unaudited 2018 £
Allotted, called up and fully paid		
100 (2018 - 100) Ordinary shares of £1.00 each	100	100

18. Reserves**Profit & loss account**

The profit & loss account includes all prior period profits and losses net of dividends paid.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Prior year adjustment

Balances as at 31 December 2018 have been restated as a result of a reallocation of cash and cash equivalents balances that relate to funds held in the bank account of the parent company. The impact on the Statement of Financial Position is a decrease of £300,915 in cash and cash equivalents and a movement of amounts owed to parent from £95,970 to amounts owed from parent of £204,945. There is no impact from this restatement to profit or reserves.

The correct and consistent accounting treatment has been applied throughout the 2018 accounts (restated) and 2019 financial year.

20. 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 £45,735 (2018 - £25,451). Pension contributions outstanding at the reporting date, included in other creditors, amounted to £4,289 (2018 - £nil).

21. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019 £	Unaudited 2018 £
Not later than 1 year	28,400	35,900
Later than 1 year and not later than 5 years	113,600	113,600
Later than 5 years	61,533	89,933
	<u>203,533</u>	<u>239,433</u>

22. Related party transactions

As a wholly owned subsidiary of Advance Global Recruitment (Holdings) Limited, advantage has been taken of the exemption granted by Section 1A of Financial Reporting Standard 102 not to report details of the transactions with that company.

Included within other creditors are amounts due to C R Taylor of £39,437 (2018 - £22,507) and S J Hunter of £35,071 (2018- £28,391) respectively. The loans are interest free, unsecured and there are no fixed payment terms.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

23. Post balance sheet events

On 30th January 2020, the World Health Organization (WHO) declared COVID-19 as a 'Public Health Emergency of International Concern'. The Directors have considered the impact of the outbreak within the Strategic Report on page 4. The Directors do not consider any adjustments to the reported financial information to be required in relation to this and no post balance sheet events as a result have been identified. The going concern basis of preparation is considered appropriate for the preparation of the financial statements as per note 2.2.

24. Ultimate parent undertaking and controlling party

The Company's parent undertaking is Advance Global Recruitment (Holdings) Limited, a company registered in Scotland.

In the opinion of the Directors, the Company has no ultimate controlling party.