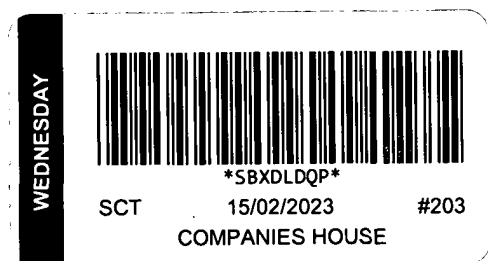


Advance Global Recruitment Limited

Registered number: SC396083

Annual Report

For the year ended 31 December 2021



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

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ADVANCE GLOBAL RECRUITMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The principal 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 £34m (2020 - £24.3m) and gross profit of £5.1m (15%) for the year (2020 - £3.9m (16.2%)) reflecting the Company's continued growth within its key sectors and additional regions.

Revenue and profitability returned to pre-COVID-19 pandemic levels and at the time of signing these accounts, the 2022 performance has continued to grow.

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 and Brexit are at the forefront of the Company's ongoing business strategy both from a client perspective and the mobility of personnel travelling 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. The Company has maintained Gross Profit Margin at 16%. This has been achieved through agreed rate cards with clients with aligned pay rates to personnel and a different sales mix.

Other key performance indicators include client retention rate, vacancy conversion, EBITDA and Current Ratio, all of which was monitored on a monthly basis.

ADVANCE GLOBAL RECRUITMENT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

The legacy 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.

Throughout the year, the Company continued to work with clients and personnel to ensure in-country quarantine protocols were followed.

The Company continued 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 ended on 31st December 2020.

During the year, the Company continued to expand its presence across Europe, Africa, Asia and South America through a series of strategic partnerships.

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



Cameron Taylor (Feb 14, 2023 17:13 GMT)

C R Taylor
Director

Date: Feb 14, 2023

ADVANCE GLOBAL RECRUITMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

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 £1,559,148 (2020 - £1,383,705).

Dividends of £1,221,516 (2020 - £1,039,807) were paid in the year.

Directors

The Directors who served during the year were:

C R Taylor
S J Hunter

Future developments

Increasing our global footprint through continuing to expand our network of strategic partners will enable the Company to target new sectors and attract new talent whilst retaining its core processes and values.

ADVANCE GLOBAL RECRUITMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have 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.

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, COVID19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The Directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

Advance Global Recruitment Limited continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

Auditor

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

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



Cameron Taylor (Feb 14, 2023 17:13 GMT)

C R Taylor
Director

Date: Feb 14, 2023

ADVANCE GLOBAL RECRUITMENT LIMITED

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 31 December 2021 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 31 December 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

ADVANCE GLOBAL RECRUITMENT LIMITED

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

ADVANCE GLOBAL RECRUITMENT LIMITED

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 either 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

ADVANCE GLOBAL RECRUITMENT LIMITED

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

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, revenue recognition.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Craig Maxwell

Craig Maxwell (Feb 14, 2023 17:32 GMT)

Craig Maxwell (Senior statutory auditor)

for and on behalf of

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

Date: Feb 14, 2023

ADVANCE GLOBAL RECRUITMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Revenue	4	33,974,954	24,300,144
Cost of sales		(28,860,546)	(20,360,506)
Gross profit		5,114,408	3,939,638
Administrative expenses		(2,844,200)	(2,259,518)
Other operating income	5	18,865	72,375
Operating profit	6	2,289,073	1,752,495
Interest payable and similar expenses	10	(40,345)	(2,132)
Profit before tax		2,248,728	1,750,363
Tax on profit	11	(689,580)	(366,658)
Profit for the financial year		1,559,148	1,383,705

There was no other comprehensive income for 2021 (2020 - £Nil).


The notes on pages 12 to 26 form part of these financial statements.

ADVANCE GLOBAL RECRUITMENT LIMITED
REGISTERED NUMBER: SC396083

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets	13	24,759	5,980
Tangible fixed assets	14	227,152	288,055
		<u>251,911</u>	<u>294,035</u>
Current assets			
Debtors	15	11,502,776	6,418,470
Cash and cash equivalents	16	228,403	310,581
		<u>11,731,179</u>	<u>6,729,051</u>
Creditors: amounts falling due within one year	17	(9,073,886)	(4,880,312)
Net current assets		<u>2,657,293</u>	<u>1,848,739</u>
Total assets less current liabilities		<u>2,909,204</u>	<u>2,142,774</u>
Creditors: amounts falling due after more than one year	18	(612,663)	(189,899)
Provisions for liabilities			
Deferred tax		(61,444)	(55,410)
Net assets		<u><u>2,235,097</u></u>	<u><u>1,897,465</u></u>
Capital and reserves			
Called up share capital	22	100	100
Profit and loss account	23	2,234,997	1,897,365
		<u><u>2,235,097</u></u>	<u><u>1,897,465</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Cameron Taylor (Feb 14, 2023 17:13 GMT)

C R Taylor
Director

Date: Feb 14, 2023

The notes on pages 12 to 26 form part of these financial statements.

ADVANCE GLOBAL RECRUITMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	100	1,553,467	1,553,567
Comprehensive income for the year			
Profit for the year	-	1,383,705	1,383,705
Total comprehensive income for the year	-	1,383,705	1,383,705
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,039,807)	(1,039,807)
Total transactions with owners	-	(1,039,807)	(1,039,807)
At 1 January 2021	100	1,897,365	1,897,465
Comprehensive income for the year			
Profit for the year	-	1,559,148	1,559,148
Total comprehensive income for the year	-	1,559,148	1,559,148
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,221,516)	(1,221,516)
Total transactions with owners	-	(1,221,516)	(1,221,516)
At 31 December 2021	100	2,234,997	2,235,097

The notes on pages 12 to 26 form part of these financial statements.

ADVANCE GLOBAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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. The Company registered number is SC396083.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the disclosure exemption as permitted by FRS 102 of the requirements of Section 7 Statement of Cash Flows.

This information is included in the consolidated financial statements of Advance Global Recruitment (Holdings) Limited as at 31 December 2021 and these financial statements may be obtained from Unit 16, Beaverbank Business Park, Logie Mill, Edinburgh, EH7 4HG.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

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'.

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 the Statement of Comprehensive Income on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.9 Pensions

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability at the reporting date. The assets of the plan are held separately from the Company in independently administered funds.

ADVANCE GLOBAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income 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 reporting 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.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Website costs	-	33 % reducing balance
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2.12 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:

Motor vehicles	-	25% straight line
Office equipment	-	33% reducing balance

ADVANCE GLOBAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.13 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.

2.14 Cash and cash equivalents

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

2.15 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.

2.16 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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

2.17 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.

2.18 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.

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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. Revenue

The whole of the Company's revenue is attributable to its principal activity which is that of recruitment consultancy. 52% (2020 - 67%) of the Company's revenue is attributable to geographical markets outside the United Kingdom.

5. Other operating income

	2021 £	2020 £
Supplier rebate	18,865	19,113
CJRS income	-	53,262
	<u>18,865</u>	<u>72,375</u>

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Operating profit

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

	2021 £	2020 £
Depreciation of tangible fixed assets	81,347	25,074
Exchange differences	(126,414)	30,385
Other operating lease rent for land and buildings	53,925	28,400
Amortisation of intangible fixed assets	2,591	144
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	16,500	12,360
	<u> </u>	<u> </u>

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:

	2021 £	2020 £
Wages and salaries	1,572,965	1,249,350
Social security costs	161,504	123,755
Cost of defined contribution pension scheme	46,225	44,533
	<u>1,780,694</u>	<u>1,417,638</u>

The average monthly number of employees, including Directors, during the year was 30 (2020 - 34).

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	32,565	31,795
Company contributions to defined contribution pension schemes	24,000	24,000
	<u>56,565</u>	<u>55,795</u>

During the year retirement benefits were accruing to 2 Directors (2020 - 2) in respect of defined contribution pension schemes.

10. Interest payable and similar expenses

	2021	2020
	£	£
Other loan interest payable	23,347	-
Finance leases and hire purchase contracts	16,998	2,132
	<u>40,345</u>	<u>2,132</u>

11. Taxation

	2021	2020
	£	£
Corporation tax		
Current tax on profits for the year	438,923	264,451
Adjustments in respect of previous periods	-	(24,642)
Double taxation relief	(83,050)	-
	<u>355,873</u>	<u>239,809</u>
Foreign tax		
Foreign tax on income for the year	327,673	78,821
Total current tax	<u>683,546</u>	<u>318,630</u>
Deferred tax		
Origination and reversal of timing differences	(11,464)	47,160
Changes to tax rates	17,498	868
Total deferred tax	<u>6,034</u>	<u>48,028</u>
Taxation on profit on ordinary activities	<u>689,580</u>	<u>366,658</u>

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	2,248,728	1,750,363
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	427,258	332,569
Effects of:		
Fixed asset differences	(327)	-
Expenses not deductible for tax purposes	3,279	121
Other permanent differences	-	(5,509)
Foreign tax credits	244,623	63,710
Adjustments to tax charge in respect of prior period	-	(24,642)
Adjustment to deferred tax charge	14,747	820
Deferred tax not recognised	-	(411)
Total tax charge for the year	689,580	366,658

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom would increase from 19% to 25%. Companies with profits of £50,000 or less would continue to be taxed at 19%, which was a new small profits rate. Where taxable profits were between £50,000 and £250,000, the higher 25% rate would apply but with a marginal relief applying as profits increased. Deferred tax is provided for at 25% as that was the substantially enacted rate at the reporting date.

12. Dividends

	2021 £	2020 £
Dividends paid on ordinary shares	1,221,516	1,039,807

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Intangible assets

	Website costs £
Cost	
At 1 January 2021	6,124
Additions	21,370
At 31 December 2021	<u>27,494</u>
Amortisation	
At 1 January 2021	144
Charge for the year	2,591
At 31 December 2021	<u>2,735</u>
Net book value	
At 31 December 2021	<u><u>24,759</u></u>
At 31 December 2020	<u><u>5,980</u></u>

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Tangible fixed assets

	Office equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2021	85,800	249,492	335,292
Additions	21,171	-	21,171
Disposals	(2,020)	-	(2,020)
At 31 December 2021	104,951	249,492	354,443
Depreciation			
At 1 January 2021	39,440	7,797	47,237
Charge for the year on owned assets	18,974	-	18,974
Charge for the year on financed assets	-	62,373	62,373
Disposals	(1,293)	-	(1,293)
At 31 December 2021	57,121	70,170	127,291
Net book value			
At 31 December 2021	47,830	179,322	227,152
At 31 December 2020	46,360	241,695	288,055
Finance leases			

The net book value of the motor vehicles held under hire purchase is £179,322 (2020 - £241,695).

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Debtors

	2021 £	2020 £
Trade debtors	10,442,555	6,153,003
Other debtors	141,453	128,589
Prepayments and accrued income	918,768	136,878
	<u>11,502,776</u>	<u>6,418,470</u>

Included in trade debtors, which is stated after a provision, are balances amounting to £10,442,554 (2020 - £6,153,003) which are subject to an invoice finance agreement.

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>228,403</u>	<u>310,581</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans (note 19)	58,335	-
Trade creditors	181,308	116,241
Amounts owed to group undertakings (note 26)	95,510	75,510
Corporation tax	355,913	249,577
Other taxation and social security	465,125	304,446
Obligations under hire purchase contracts (note 20)	18,086	18,086
Other creditors	6,595,813	3,244,427
Accruals and deferred income	1,303,796	872,025
	<u>9,073,886</u>	<u>4,880,312</u>

Included within other creditors is £6,418,305 (2021 - £3,069,686) 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 2021**

18. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans (note 19)	441,665	-
Obligations under finance leases and hire purchase contracts (note 20)	170,998	189,899
	<u>612,663</u>	<u>189,899</u>

19. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	58,335	-
Amounts falling due 1-2 years		
Bank loans	100,002	-
Amounts falling due 2-5 years		
Bank loans	300,007	-
Amounts falling due after more than 5 years		
Bank loans	41,656	-
	<u>500,000</u>	<u>-</u>

The loan is secured by a floating charge, with an interest rate of 2.53% p.a over base rate. The loan will be repaid by monthly instalments of £8,333.33, with the final repayment date being 72 months after the loan is drawn.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	18,086	18,086
Between 1-2 years	18,086	18,086
Between 2-5 years	152,912	171,814
	<u>189,084</u>	<u>207,986</u>

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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21. Deferred taxation

	2021 £
At beginning of year	(55,410)
Movement in the year	(6,034)
At end of year	(61,444)

The provision for deferred taxation, which is calculated based on a tax rate of 19% (2020 - 19%), is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(63,419)	(55,655)
Short term timing differences	1,975	245
	(61,444)	(55,410)

22. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	100	100

Each ordinary share carries voting rights, but no right to fixed income.

23. Reserves**Profit & loss account**

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

24. 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 £46,225 (2020 - £44,533). Pension contributions outstanding at the reporting date, included in other creditors, amounted to £4,139 (2020 - £2,802).

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Land and buildings		
Not later than 1 year	76,504	28,400
Later than 1 year and not later than 5 years	265,684	113,600
Later than 5 years	6,627	33,133
	<u>348,815</u>	<u>175,133</u>

26. Related party transactions

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

Included within other creditors are amounts due to the directors of the Company - C R Taylor of £54,675 (2020 - £27,073), S J Hunter of £40,754 (2020 - £13,636) and R Duncan of £14,434 (2020 - £Nil). The loans are interest free, unsecured and there are no fixed payment terms.

27. 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.