

# Advance Global Recruitment Ltd

Registered number: SC396083

## Annual Report

For the year ended 31 December 2022

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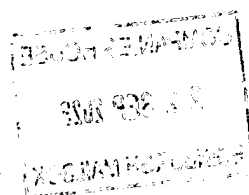
**ADVANCE GLOBAL RECRUITMENT LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	C R Taylor S J Hunter M J Bradley M Mohamad D J Stockton
<b>Company secretary</b>	M S Moustafa
<b>Registered number</b>	SC396083
<b>Registered office</b>	Unit 16 Beaverbank Business Park Logie Mill Edinburgh EH7 4HG
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor Capital Square 58 Morrison Street Edinburgh EH3 8BP
<b>Bankers</b>	The Royal Bank of Scotland plc 109 George Street Edinburgh EH2 4JW
<b>Solicitors</b>	Addleshaw Goddard LLP Exchange Tower 19 Canning Street Edinburgh EH3 8EH



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**ADVANCE GLOBAL RECRUITMENT LTD**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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 £42m (2021 - £34m) and gross profit of £6.2m (15%) for the year (2021 - £5.1m (15%)) reflecting the Company's continued growth within its key sectors and additional regions. At the time of signing these accounts, the 2023 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 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 15%. 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.

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



Stuart Hunter (Sep 22, 2023 11:04 GMT+1)

**S J Hunter**  
Director

Date: Sep 22, 2023

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Directors present their report and the financial statements for the year ended 31 December 2022.

**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 £2,214,543 (2021 - £1,559,148).

Dividends of £1,787,379 (2021 - £1,221,516) were paid in the year.

**Directors**

The Directors who served during the year were:

C R Taylor  
S J Hunter

Subsequent to the year end M J Bradley and D J Stockton were appointed as Directors on 10 March 2023 and M Mohamad was appointed as a Director on 23 March 2023.

**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.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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, COVID-19, 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.

The Company 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.

  
Stuart Hunter (Sep 22, 2023 11:04 GMT+1)

**S J Hunter**  
Director

Date: Sep 22, 2023

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

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**Opinion**

We have audited the financial statements of Advance Global Recruitment Ltd (the 'Company') for the year ended 31 December 2022 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 2022 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.

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

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**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.

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.



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

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**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 and the Companies Act 2006.

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

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In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management 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 (which we pinpointed to the cut-off assertion) and significant one off transactions.

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](http://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 (Sep 22, 2023 15:38 GMT+1)

Craig Maxwell (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Capital Square  
58 Morrison Street  
Edinburgh  
EH3 8BP

Date: Sep 22, 2023

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**ADVANCE GLOBAL RECRUITMENT LTD**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Note	2022 £	2021 £
Revenue	4	42,307,668	33,974,954
Cost of sales		(35,671,846)	(28,860,546)
<b>Gross profit</b>		<u>6,635,822</u>	<u>5,114,408</u>
Administrative expenses		(3,477,568)	(2,844,200)
Other operating income	5	32,361	18,865
<b>Operating profit</b>	6	<u>3,190,615</u>	<u>2,289,073</u>
Interest payable and similar expenses	10	(70,255)	(40,345)
<b>Profit before tax</b>		<u>3,120,360</u>	<u>2,248,728</u>
Tax on profit	11	(905,817)	(689,580)
<b>Profit for the financial year</b>		<u><u>2,214,543</u></u>	<u><u>1,559,148</u></u>

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 11 to 25 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible fixed assets	13	66,709	24,759
Tangible fixed assets	14	211,420	227,152
		<u>278,129</u>	<u>251,911</u>
<b>Current assets</b>			
Debtors	15	10,804,610	11,502,776
Cash and cash equivalents	16	747,593	228,403
		<u>11,552,203</u>	<u>11,731,179</u>
Creditors: amounts falling due within one year	17	(8,632,958)	(9,073,886)
<b>Net current assets</b>		<u>2,919,245</u>	<u>2,657,293</u>
<b>Total assets less current liabilities</b>		<u>3,197,374</u>	<u>2,909,204</u>
Creditors: amounts falling due after more than one year	18	(468,104)	(612,663)
<b>Provisions for liabilities</b>			
Deferred tax		(67,009)	(61,444)
<b>Net assets</b>		<u>2,662,261</u>	<u>2,235,097</u>
<b>Capital and reserves</b>			
Called up share capital	22	100	100
Profit and loss account	23	2,662,161	2,234,997
		<u>2,662,261</u>	<u>2,235,097</u>

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

Stuart Hunter

Stuart Hunter (Sep 22, 2023 11:04 GMT+1)

**S J Hunter**  
Director

Date: Sep 22, 2023

The notes on pages 11 to 25 form part of these financial statements.

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**ADVANCE GLOBAL RECRUITMENT LTD**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2021</b>	100	1,897,365	1,897,465
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,559,148	1,559,148
<b>Total comprehensive income for the year</b>	-	1,559,148	1,559,148
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(1,221,516)	(1,221,516)
<b>Total transactions with owners</b>	-	(1,221,516)	(1,221,516)
<b>At 1 January 2022</b>	100	2,234,997	2,235,097
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,214,543	2,214,543
<b>Total comprehensive income for the year</b>	-	2,214,543	2,214,543
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(1,787,379)	(1,787,379)
<b>Total transactions with owners</b>	-	(1,787,379)	(1,787,379)
<b>At 31 December 2022</b>	100	2,662,161	2,662,261

The notes on pages 11 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

Advance Global Recruitment Limited is a private company, limited by shares and registered in Scotland. The Company's registered office address and principal place of business is Unit 16, Beaverbank Business Park, Logie Mill, Edinburgh, EH7 4HG. The Company's 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 2022 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**

Performance continues to be monitored against the Company's cashflow forecasts and the 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 2022**

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**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 2022**

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**2. Accounting policies (continued)**

**2.6 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.

**2.7 Borrowing costs**

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

**2.8 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.

**2.9 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.10 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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**2.11 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

**2.12 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.

**2.13 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.

**2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.15 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.

**2.16 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.

**2.17 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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**4. Revenue**

The whole of the Company's revenue is attributable to its principal activity which is that of recruitment consultancy. 46% (2021 - 52%) of the Company's revenue is attributable to geographical markets outside the United Kingdom.

**5. Other operating income**

	2022 £	2021 £
Supplier rebate	32,361	18,865

**6. Operating profit**

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

	2022 £	2021 £
Depreciation of tangible fixed assets	49,426	81,347
Exchange differences	(363,205)	(126,414)
Other operating lease rent for land and buildings	56,908	53,925
Amortisation of intangible fixed assets	15,431	2,591

**7. Auditor's remuneration**

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	26,510	16,500

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**8. Employees**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,029,505	1,572,965
Social security costs	214,822	161,504
Cost of defined contribution pension scheme	51,640	46,225
	<u>2,295,967</u>	<u>1,780,694</u>

The average monthly number of employees, including Directors, during the year was 37 (2021 - 30).

**9. Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	32,344	32,565
Company contributions to defined contribution pension schemes	24,000	24,000
	<u>56,344</u>	<u>56,565</u>

During the year retirement benefits were accruing to 2 Directors (2021 - 2) in respect of defined contribution pension schemes.

**10. Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other loan interest payable	54,668	23,347
Finance leases and hire purchase contracts	15,587	16,998
	<u>70,255</u>	<u>40,345</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**11. Taxation**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	566,850	438,923
Double taxation relief	(86,604)	(83,050)
	<u>480,246</u>	<u>355,873</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	420,006	327,673
<b>Total current tax</b>	<u>900,252</u>	<u>683,546</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	5,565	(11,464)
Changes to tax rates	-	17,498
<b>Total deferred tax</b>	<u>5,565</u>	<u>6,034</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>905,817</u></u>	<u><u>689,580</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**11. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	3,120,360	2,248,728
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	592,868	427,258
<b>Effects of:</b>		
Fixed asset differences	(5,313)	(327)
Expenses not deductible for tax purposes	2,475	3,279
Foreign tax credits	333,402	244,623
Adjustment to deferred tax charge	1,336	14,747
Other permanent differences	(18,951)	-
<b>Total tax charge for the year</b>	<b>905,817</b>	<b>689,580</b>

**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 substantively enacted rate at the reporting date.

**12. Dividends**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Dividends paid on ordinary shares	1,787,379	1,221,516

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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13. Intangible fixed assets

	Website costs £
<b>Cost</b>	
At 1 January 2022	27,494
Additions	57,381
At 31 December 2022	<u>84,875</u>
<b>Amortisation</b>	
At 1 January 2022	2,735
Charge for the year	15,431
At 31 December 2022	<u>18,166</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>66,709</u></u>
At 31 December 2021	<u><u>24,759</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Tangible fixed assets

	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 January 2022	104,951	249,492	354,443
Additions	34,766	-	34,766
Disposals	(1,861)	-	(1,861)
At 31 December 2022	137,856	249,492	387,348
<b>Depreciation</b>			
At 1 January 2022	57,121	70,170	127,291
Charge for the year on owned assets	19,009	-	19,009
Charge for the year on financed assets	-	30,417	30,417
Disposals	(789)	-	(789)
At 31 December 2022	75,341	100,587	175,928
<b>Net book value</b>			
At 31 December 2022	62,515	148,905	211,420
At 31 December 2021	47,830	179,322	227,152

**Finance leases**

The net book value of the motor vehicles held under hire purchase is £148,905 (2021 - £179,322).



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**15. Debtors**

	<b>2022</b> £	<b>2021</b> £
Trade debtors	10,233,040	10,442,555
Other debtors	256,102	141,453
Prepayments and accrued income	315,468	918,768
	<u>10,804,610</u>	<u>11,502,776</u>

Included in trade debtors, which is stated after a provision, are balances amounting to £9,961,681 (2021 - £10,442,555) which are subject to an invoice finance agreement.

**16. Cash and cash equivalents**

	<b>2022</b> £	<b>2021</b> £
Cash at bank and in hand	<u>747,593</u>	<u>228,403</u>

**17. Creditors: Amounts falling due within one year**

	<b>2022</b> £	<b>2021</b> £
Bank loans (note 19)	100,002	58,335
Trade creditors	216,113	181,308
Amounts owed to group undertakings (note 26)	95,510	95,510
Corporation tax	685,174	355,913
Other taxation and social security	386,888	465,125
Obligations under hire purchase contracts (note 20)	18,086	18,086
Other creditors	6,288,287	6,595,813
Accruals and deferred income	842,898	1,303,796
	<u>8,632,958</u>	<u>9,073,886</u>

Included within other creditors is £5,688,499 (2021 - £6,418,305) drawn down under an invoice finance agreement. These amounts are secured by a floating charge.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans (note 19)	316,665	441,665
Obligations under finance leases and hire purchase contracts (note 20)	151,439	170,998
	<u>468,104</u>	<u>612,663</u>

**19. Loans**

Analysis of the maturity of loans is given below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Bank loans	100,002	58,335
<b>Amounts falling due 1-2 years</b>		
Bank loans	100,002	100,002
<b>Amounts falling due 2-5 years</b>		
Bank loans	216,663	300,007
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	41,656
	<u>416,667</u>	<u>500,000</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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	18,086	18,086
Between 1-2 years	18,086	18,086
Between 2-5 years	133,353	152,912
	<u>169,525</u>	<u>189,084</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**21. Deferred taxation**

	<b>2022 £</b>
At beginning of year	(61,444)
Movement in the year	(5,565)
<b>At end of year</b>	<b>(67,009)</b>

The provision for deferred taxation, which is calculated based on a tax rate of 19% (2021 - 19%), is made up as follows:

	<b>2022 £</b>	<b>2021 £</b>
Fixed asset timing differences	(68,012)	(63,419)
Short term timing differences	1,003	1,975
	<b>(67,009)</b>	<b>(61,444)</b>

**22. Share capital**

	<b>2022 £</b>	<b>2021 £</b>
<b>Allotted, called up and fully paid</b>		
100 (2021 - 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**

This reserve 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 £51,640 (2021 - £46,225). Pension contributions outstanding at the reporting date, included in other creditors, amounted to £4,011 (2021 - £4,139).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**25. Commitments under operating leases**

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
<b>Land and buildings</b>		
Not later than 1 year	91,870	76,504
Later than 1 year and not later than 5 years	335,272	265,684
Later than 5 years	-	6,627
	<u>427,142</u>	<u>348,815</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 £208,375 (2021 - £54,675), S J Hunter of £241,403 (2021 - £40,754) and R Duncan of £45,836 (2021 - £14,434). 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.

Subsequent to year end, following a sale of shares by shareholders, the immediate parent company of Advance Global Recruitment (Holdings) Limited is Dulsco UK Limited (Reg 14677633), the ultimate parent company is Dulsco LLC (a company incorporated in the UAE) and in the opinion of the Directors there is no controlling party.