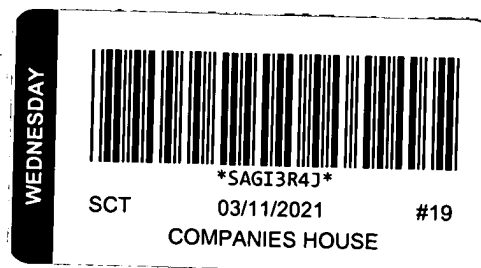


Advance Global Recruitment Limited

Registered number: SC396083

Annual Report

For the year ended 31 December 2020



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 2020

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 £24.3m (2019: £34.9m) and gross profit of £3.9m (16.2%) for the year (2019: £5.6m (16.1%)) reflecting the company's continued growth within its key sectors and additional regions.

The global Covid-19 Pandemic had an impact on trading with revenue down 30% however at the time of signing these accounts, the 2021 performance has returned to pre-Pandemic levels in both revenues and profitability.

Principal risks and uncertainties

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

- **Market Risk**

The ongoing uncertainties surrounding the global pandemic 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 2020

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

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

Throughout the year, the Company required contracted personnel to maintain temperature diaries for a period of 14 days and continues to work with clients and personnel to ensure in-country quarantine protocols are followed.

The Company undertook a variety of measures in the wake of the pandemic. The UK Government's Furlough Scheme was used reduce overheads and to protect jobs whilst cashflow forecasts were updated and detailed sensitivity analysis carried-out at the end of Q1.

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 comes ended on 31st December 2020. During the year, the Company took significant steps towards expanding its presence across Europe, Africa, Asia and South America through a series of strategic partnerships.

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


Cameron Taylor (Oct 30, 2021 19:17 GMT+1)

C R Taylor
Director

Date: Oct 30, 2021

ADVANCE GLOBAL RECRUITMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

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 £1,383,705 (2019 - £1,840,089).

Dividends of £1,039,807 (2019 - £1,077,913) were paid in the year.

Directors

The Directors who served during the year were:

C R Taylor
S J Hunter

Future developments

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

ADVANCE GLOBAL RECRUITMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Matters covered in the strategic report

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

Disclosure of information to auditor


Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

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


Cameron Taylor (Oct 30, 2021 19:17 GMT+1)

C R Taylor
Director

Date: Oct 30, 2021

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 2020 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 2020 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 Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ADVANCE GLOBAL RECRUITMENT LIMITED

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 either the Directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

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 tax provisions, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our 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.

ADVANCE GLOBAL RECRUITMENT LIMITED

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

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.

Fiona Martin
Fiona Martin (Nov 1, 2021 15:23 GMT)

Fiona Martin (Senior statutory auditor)

for and on behalf of

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

Date: Nov 1, 2021

ADVANCE GLOBAL RECRUITMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Revenue	4	24,300,144	34,890,769
Cost of sales		(20,360,506)	(29,285,492)
Gross profit		3,939,638	5,605,277
Administrative expenses		(2,259,518)	(2,806,597)
Other operating income	5	72,375	26,977
Operating profit	6	1,752,495	2,825,657
Interest payable and similar expenses	10	(2,132)	-
Profit before tax		1,750,363	2,825,657
Tax on profit	11	(366,658)	(985,568)
Profit for the financial year		1,383,705	1,840,089

There was no other comprehensive income for 2020 (2019: £NIL).


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

ADVANCE GLOBAL RECRUITMENT LIMITED
REGISTERED NUMBER: SC396083

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	5,980	-
Tangible fixed assets	14	288,055	43,426
		<u>294,035</u>	<u>43,426</u>
Current assets			
Debtors	15	6,418,470	8,542,186
Cash and cash equivalents	16	310,581	475,686
		<u>6,729,051</u>	<u>9,017,872</u>
Creditors: amounts falling due within one year	17	(4,880,312)	(7,500,349)
Net current assets		<u>1,848,739</u>	<u>1,517,523</u>
Total assets less current liabilities		<u>2,142,774</u>	<u>1,560,949</u>
Creditors: amounts falling due after more than one year	18	(189,899)	-
Provisions for liabilities			
Deferred tax	20	(55,410)	(7,382)
Net assets		<u><u>1,897,465</u></u>	<u><u>1,553,567</u></u>
Capital and reserves			
Called up share capital	21	100	100
Profit and loss account	22	1,897,365	1,553,467
		<u><u>1,897,465</u></u>	<u><u>1,553,567</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Oct 30, 2021


 Cameron Taylor (Oct 30, 2021 19:17 GMT+1)
C R Taylor
Director

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

ADVANCE GLOBAL RECRUITMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	100	791,291	791,391
Comprehensive income for the year			
Profit for the year	-	1,840,089	1,840,089
Total comprehensive income for the year	-	1,840,089	1,840,089
Dividends: Equity capital	-	(1,077,913)	(1,077,913)
Total transactions with owners	-	(1,077,913)	(1,077,913)
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 31 December 2020	100	1,897,365	1,897,465

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

ADVANCE GLOBAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 2020 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 2020**

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 profit or loss on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 profit or loss 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 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 profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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
---------------	---	-----------------------

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 2020**

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

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

2.16 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.

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Revenue

The whole of the Company's revenue is attributable to its principal activity which is that of recruitment consultancy. 67% (2019 - 43%) of the Company's revenue is attributable to geographical markets outside the United Kingdom.

5. Other operating income

	2020 £	2019 £
Supplier rebate	19,113	26,977
CJRS income	53,262	-
	<u>72,375</u>	<u>26,977</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation	25,074	11,708
Exchange differences	30,385	124,348
Other operating lease rent for land and buildings	28,400	45,201
Amortisation	144	-
	<u></u>	<u></u>

7. Auditor's remuneration

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:

	2020 £	2019 £
Wages and salaries	1,249,350	1,507,416
Social security costs	123,755	163,970
Cost of defined contribution pension scheme	44,533	45,735
	<u>1,417,638</u>	<u>1,717,121</u>

The average monthly number of employees, including Directors, during the year was 34 (2019 - 25).

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	31,795	29,152
Company contributions to defined contribution pension schemes	24,000	24,000
	<u>55,795</u>	<u>53,152</u>

During the year retirement benefits were accruing to 2 Directors (2019 - 2) in respect of defined contribution pension schemes.

10. Interest payable and similar expenses

	2020	2019
	£	£
Finance leases and hire purchase contracts	<u>2,132</u>	<u>-</u>

11. Taxation

	2020	2019
	£	£
Corporation tax		
Current tax on profits for the year	264,451	425,664
Adjustments in respect of previous periods	(24,642)	(11,384)
Foreign tax		
Foreign tax on income for the year	<u>78,821</u>	<u>565,671</u>
Total current tax	<u>318,630</u>	<u>979,951</u>
Deferred tax		
Origination and reversal of timing differences	47,160	5,617
Changes to tax rates	<u>868</u>	<u>-</u>
Total deferred tax	<u>48,028</u>	<u>5,617</u>
Taxation on profit on ordinary activities	<u>366,658</u>	<u>985,568</u>

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,750,363	2,825,657
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	332,569	536,875
Effects of:		
Expenses not deductible for tax purposes	121	1,212
Other permanent differences	(5,509)	(107,478)
Foreign tax credits	63,710	565,671
Adjustments to tax charge in respect of prior period	(24,642)	(11,384)
Adjustment to deferred tax charge	820	(589)
Deferred tax not recognised	(411)	610
Adjustments to brought forward values	-	1,309
Group relief	-	(658)
Total tax charge for the year	366,658	985,568

Factors that may affect future tax charges

On 31 March 2021, it was announced that the UK corporation tax would increase from 19% to 25% on 1 April 2023. This change was not substantively enacted at the reporting date. Due to uncertainties around the timing of reversal of timing differences, it would not be practical for the Company to assess the impact on deferred tax balances.

12. Dividends

	2020 £	2019 £
Dividends paid on ordinary shares	1,039,807	1,077,913

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. Intangible assets

	Website costs £
Cost	
Additions	6,124
At 31 December 2020	<u>6,124</u>
Amortisation	
Charge for the year	144
At 31 December 2020	<u>144</u>
Net book value	
At 31 December 2020	<u>5,980</u>
At 31 December 2019	<u>-</u>

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Tangible fixed assets

	Office equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2020	73,555	-	73,555
Additions	24,801	249,492	274,293
Disposals	(12,556)	-	(12,556)
At 31 December 2020	85,800	249,492	335,292
Depreciation			
At 1 January 2020	30,129	-	30,129
Charge for the year	17,277	-	17,277
Charge for the year on financed assets	-	7,797	7,797
Disposals	(7,966)	-	(7,966)
At 31 December 2020	39,440	7,797	47,237
Net book value			
At 31 December 2020	46,360	241,695	288,055
At 31 December 2019	43,426	-	43,426

Finance leases

The net book value of the motor vehicles held under hire purchase is £241,695 (2019 - £nil).

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2020 £	2019 £
Trade debtors	6,153,003	7,971,366
Amounts owed by parent (note 25)	-	204,035
Other debtors	128,589	284,855
Prepayments and accrued income	136,878	81,930
	<u>6,418,470</u>	<u>8,542,186</u>

Included in trade debtors, which is stated after a provision, are balances amounting to £6,153,003 (2019 - £7,971,366) which are subject to an invoice finance agreement.

16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>310,581</u>	<u>475,686</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	116,241	679,768
Amounts owed to group undertakings (note 25)	75,510	-
Corporation tax	249,577	425,664
Other taxation and social security	304,446	503,752
Obligations under hire purchase contracts (note 19)	18,086	-
Other creditors	3,244,427	4,762,667
Accruals and deferred income	872,025	1,128,498
	<u>4,880,312</u>	<u>7,500,349</u>

Included within other creditors is £3,069,686 (2019 - £4,484,308) drawn down under an invoice finance agreement. These amounts are secured by a floating charge.

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

	2020 £	2019 £
Net obligations under hire purchase contracts (note 19)	189,899	-

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	18,086	-
Between 1-2 years	18,086	-
Between 2-5 years	171,814	-
	207,986	-

20. Deferred taxation

	2020 £
At beginning of year	(7,382)
Movement in the year	(48,028)
At end of year	(55,410)

The provision for deferred taxation, which is calculated based on a tax rate of 19% (2019 - 17%), is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	(55,655)	(7,642)
Short term timing differences	245	260
	(55,410)	(7,382)

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	100	100

22. Reserves**Profit & loss account**

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

23. 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 £44,533 (2019 - £45,735). Pension contributions outstanding at the reporting date, included in other creditors, amounted to £2,802 (2019 - £4,289).

24. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Land and buildings		
Not later than 1 year	28,400	38,400
Later than 1 year and not later than 5 years	113,600	113,600
Later than 5 years	33,133	61,533
	<u>175,133</u>	<u>213,533</u>

25. 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 £27,073 (2019 - £39,437) and S J Hunter of £13,636 (2019 - £35,071). The loans are interest free, unsecured and there are no fixed payment terms.

ADVANCE GLOBAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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26. 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.