COMPANY NUMBER: 02566143

HOGGETT BOWERS INTERIM MANAGEMENT LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

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ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

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HOGGETT BOWERS INTERIM MANAGEMENT LIMITED
COMPANY INFORMATION

DIRECTORS	P J Hearn F M Robinson I D Moss
COMPANY SECRETARY.	I D Moss
COMPANY NUMBER·	02566143 (England & Wales)
REGISTERED OFFICE	62 Queen Street London EC4R 1EB
AUDITORS	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP

Results

The gross fee income for year decreased by 27% to £2 8 million (2012 £3 8 million)

The profit for the year after taxation was £70,000 (2012 £141,000)

Key performance indicator

The Company's principal key performance indicator ('KPI') is net fee income generated per employee which reflects productivity Current productivity is used to monitor the performance of the business which, together with historic and projected productivity, helps determine where the Company's resources should be deployed Net fee income per employee for the year was £183,000 (2012 £220,000)

Principal risk factors

i) Dependence on key personnel
The future success of the Company is dependant on the continued service of senior management and key personnel The loss of the services of the executive officers of the Company and other key personnel could have a material effect on the business

ii) Competition
The Directors believe that the Company is well positioned in its chosen markets Whilst the Company will seek to continue to improve its competitive positions, the actions of current or indeed potential competitors may adversely affect the Company's business

iii) Strength of key markets
The market for executive search and selection and other recruitment services is currently uncertain and it is difficult to predict how the market will develop over the foreseeable future A further decline in the market for executive search and selection services could have a material adverse effect on profitability and cash flows of the business

Principal activity, business review and future developments

The principal activity of the Company remained the provision of recruitment consultancy services

Market conditions were stable during the year ended 31 December 2013 and the Company continues to be profitable The Directors keep under review the cost base of the Company and we will continue to take prompt and decisive action where necessary to maintain the appropriate balance of revenues and costs for the long term success of the business

The majority of the Company's profits are generated in our domestic market and consequently the Company's performance is closely allied to economic activity in the UK The out turn for the remainder of the year is uncertain and to a large degree will be dependent upon the performance of the UK economy The Company, whilst keeping operating costs under detailed review, has continued to invest in the long-term future of its business

Approved by the Board on 9 April 2014 and signed on its behalf by

I D Moss

Company Secretary

Directors

The directors who served during the year are

P J Hearn
F M Robinson
I D Moss

The directors present their review of the affairs of the company, together with the accounts for the year ended 31 December 2013

Dividends

No dividend was paid during the year (2012 £Nil)

Personnel policies

The Company gives consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a handicapped or disabled person Disabled employees are employed under normal terms and conditions Career development and promotion are provided wherever appropriate

During the year, the policy of providing employees with financial and economic factors affecting the Company and other information about the Company through news letters and employee forums has been continued Employees have been encouraged to present their own suggestions and views

Environmental policy

The Company recognises its responsibilities for the environment and gives due consideration to the possible effects of its activities on the environment The Company's activities have a minor effect on the environment However, it is the Company's aim to reduce the environmental impact of its activities and to operate in an environmentally responsible manner The Company is committed to the following principles to ensure the business operates in an environmentally sensitive manner

- Encouraging the re-use and recycling of products,
- Ensuring efficient use of materials and energy, and
- Purchasing environmentally friendly materials where appropriate

The Company keeps under review its environmental policy and the practical implementation of this policy as new products and technologies become available The Company is conscious of the need to balance the benefits of formally monitoring its impact and the benefits this will bring to all stakeholders No formal evaluation or monitoring was carried out during 2013 However, the Company will review annually the costs and benefits arising from introducing a formal process and, if appropriate, introduce a process for monitoring the Company's impact on the environment

HOGGETT BOWERS INTERIM MANAGEMENT LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

Political and charitable donations

The Company made no political or charitable donations during the year (2012 £Nil)

Policy on payment of suppliers

The Company agrees payment terms with each of its major suppliers and seeks to abide by these terms, subject to satisfactory performance by the supplier

Directors' and officers' liability insurance

The Company maintains liability insurance for the Directors and Officers of the Company and its subsidiaries

Auditors

Grant Thornton UK LLP have indicated their willingness under Section 489 of the Companies Act 2006 to continue in office and a resolution will be put to members to approve their appointment in due course

Financial risk management

The company's financial risks are principally price, liquidity and credit risk The Company has long term funding and cash not required for short term operational requirements is placed on deposit with Barclays bank and major building societies The directors closely monitor the performances of its investments to ensure they are managed such that financial risks of the businesses are commensurate with anticipated financial returns

Approved by the Board on 9 April 2014 and signed on its behalf by

I D Moss
Company Secretary

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 and profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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

In so far as each of the directors are aware

- there is no relevant audit information of which the company's auditor are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation on other jurisdictions

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOGGETT BOWERS INTERIM MANAGEMENT LIMITED

We have audited the financial statements of Hoggett Bowers Interim Management Limited for the year ended 31 December 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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 options we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Marc Summers BSc (Hons), FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

9 April 2014

HOGGETT BOWERS INTERIM MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
REVENUE ('Gross fee income')		**2,758**	3,772
Direct costs		**(2,011)**	(2,893)
GROSS PROFIT ('Net fee income')		**747**	879
Administrative expenses		**(655)**	(692)
PROFIT BEFORE INCOME TAX	8	**92**	187
Income tax charge	9	**(22)**	(46)
PROFIT FOR THE YEAR		**70**	141
Other comprehensive income			
Other comprehensive income		**-**	-
Total comprehensive income for the year		**70**	141

All operations are classified as continuing

The notes on pages 12 to 21 form part of these financial statements

HOGGETT BOWERS INTERIM MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
CURRENT ASSETS			
Trade and other receivables	11	**678**	539
TOTAL CURRENT ASSETS		**678**	539
TOTAL ASSETS		**678**	539
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**(247)**	(143)
Current tax liabilities		**(11)**	(46)
TOTAL CURRENT LIABILITIES		**(258)**	(189)
TOTAL LIABILITIES		**(258)**	(189)
NET ASSETS		**420**	350
EQUITY			
Called up share capital	13	**-**	-
Retained earnings		**420**	350
TOTAL EQUITY		**420**	350

The financial statements on pages 8 to 21 were authorised for issue by the Board of Directors on 9 April 2014 and signed on its behalf by

I D Moss Director

Company number 02566143

The notes on pages 12 to 21 form part of these financial statements

HOGGETT BOWERS INTERIM MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Called up share capital	Retained earnings	Total equity
	£'000	£'000	£'000
At 1 January 2012	**-**	**209**	**209**
Profit for the financial year	-	141	141
Total comprehensive income for the year	-	141	141
As at 31 December 2012	**-**	**350**	**350**
Profit for the financial year	-	70	70
Total comprehensive income for the year	-	70	70
As at 31 December 2013	**-**	**420**	**420**

The notes on pages 12 to 21 form part of these financial statements

HOGGETT BOWERS INTERIM MANAGEMENT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	15	**57**	21
Tax paid		**(57)**	(21)
Net cash flows by operating activities		**-**	-
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		**-**	-
Cash and cash equivalents at 1 January		**-**	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**-**	-

The notes on pages 12 to 21 form part of these financial statements

1. General information

The Company is a recruitment services organisation with offices in the UK

The Company is a limited company which is incorporated and domiciled in the UK The address of the registered office and principal place of business is 62 Queen Street, London, EC4R 1EB

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below These policies have been consistently applied to all the years presented, unless otherwise stated

2 1 Basis of preparation

The financial statements of Hoggett Bowers Interim Management Limited have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS The financial statements have been prepared under the historical cost convention and going concern basis

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates It also requires management to exercise its judgement in the process of applying the Company's accounting policies The areas involving a higher degree of judgement, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4

New standards and interpretations currently in issue (as at 30 January 2014) but not effective for accounting periods commencing on 1 January 2013 are

- IFRS 9 Financial Instruments (no mandatory effective date)
- IFRS 10 Consolidated Financial Statements (IASB effective date 1 January 2013**)
- IFRS 11 Joint Arrangements (IASB effective date 1 January 2013**)
- IFRS 12 Disclosure of Interests in Other Entities (IASB effective date 1 January 2013**)
- IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016)
- IAS 27 (Revised), Separate Financial Statements (IASB effective date 1 January 2013**)
- IAS 28 (Revised), Investments in Associates and Joint Ventures (IASB effective date 1 January 2013**)
- Transition Guidance - Amendments to IFRS 10, IFRS 11 and IFRS 12 (IASB effective date 1 January 2013**)
- Investment Entities - Amendments to IFRS 10, IFRS 12 and IAS 27 (effective 1 January 2014)
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32 (effective 1 January 2014)
- IFRIC Interpretation 21 Levies (effective 1 January 2014)
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) (effective 1 January 2014)
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) (effective 1 January 2014)
- Defined Benefit Plans Employee Contributions (Amendments to IAS 19) (IASB effective date 1 July 2014)
- Annual Improvements to IFRSs 2010-2012 Cycle (effective 1 July 2014)
- Annual Improvements to IFRSs 2011-2013 Cycle (effective 1 July 2014)

*** EU mandatory effective date is 1 January 2014 not 2013*

The Directors anticipate that the adoption of the remaining standards and interpretations in future periods will have no material impact on the financial statements of the Group

2 2 Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements The directors regard the going concern basis as remaining appropriate as they have assessed the company's financial performance and position and identified the risks and critical judgements as disclosed in notes 3 and 4 From this, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future

2 3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board

2 4 Foreign currency translation

(a) Functional and presentation currency
The financial statements are presented in pounds sterling (£), which is the Company's functional and presentation currency

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income

2.5 Impairment of non-financial assets

Assets that have an indefinite useful economic life are not subject to amortisation and are tested annually for impairment Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount The recoverable amount is the higher of an asset's fair value less costs to sell and value in use For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date

2 6 Financial assets

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset Investments are initially recognised at fair value plus transaction costs Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership Financial assets are subsequently carried at fair value

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement Impairment testing of trade receivables is described in note 2 7

2 7 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables Significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'Cost of Sales' When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables Subsequent recoveries of amounts previously written off are credited against 'Cost of Sales' in the statement of comprehensive income

2 8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position

2.9 Share capital

Ordinary shares are classified as equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds Where the Company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled

2 10 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method

2.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

2 12 Employee benefits

The Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis The Company has no further payment obligations once the contributions have been paid The contributions are recognised as employee benefit expense when they are due Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available

2 13 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date where the Company generates taxable income Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future

2 14 Revenue recognition

Revenue comprises the fair value of the sale of goods net of value added tax, rebates and discounts, and revenue is recognised as follows

(a) *Fee income*
The Company recognises gross fee income from retained assignments on completion of defined stages of work Gross fee income is recognised on non-retained assignments when a client offers a candidate a position, the candidate accepts the position and a start date is determined A provision is made against gross fee income for the cancellation of placements either prior to or shortly after the commencement of employment based on past experience of this occurring In respect of temporary assignments, gross fee income is recognised when the service has been provided Gross fee income is net of value added tax

Net fee income is derived by deducting from gross fee income direct costs including the cost of temporary staff placed with clients, costs of advertising, costs and charges to clients for artwork

(b) *Interest income*
Interest income is recognised on a time-proportion basis using the effective interest method When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income

(c) *Dividend income*
Dividend income is recognised when the right to receive payment is established

2 15 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease

2.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders

2.17 Provisions

Provisions for property restoration are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated

2 18 Exceptional items

Items of income and expense that are unlikely to recur and which merit being separately reported on the face of the Income Statement in order to provide an understanding of the Company's underlying performance are disclosed as exceptional items

3. Financial risk management

3 1 Financial risk factors

The Company's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk The Company does not use derivative financial instruments to hedge risk exposures

a) Market risk

(i) Foreign exchange risk

The principal foreign exchange risk is to the Euro Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations

The Company seeks to minimise its exposure to foreign exchange risk and all cash balances in foreign currency that are not required for short term working capital monetary needs are converted into pounds

(ii) Price risk

The Company does not routinely invest in equity securities and is not exposed to commodity price risk At 31 December 2013 the Company did not have any significant exposure to price risk

(iii) Cash flow and fair value interest rate risk

The Company has no significant interest bearing assets or liabilities and the Company's income and operating cash flows are substantially independent of changes in market interest rates

(b) Credit risk

Credit risk arises from cash and deposits with banks as well as credit exposures to clients The Company has no significant concentration of credit risk It has policies and procedures in place, including the use of credit checks and credit limits to ensure that sales are made to customers with an appropriate credit history The Company's principal banker is Barclays Bank and substantially all the Company's cash, cash equivalents and deposits are placed with Barclays Bank At 31 December 2013 cash and deposits amounting to £Nil (31 December 2012 £Nil) were placed with Barclays Bank

(c) Liquidity risk

Effective liquidity risk management requires maintaining sufficient cash and credit facilities to meet the forecast cash requirements of the Company whilst maximising the rate of return on surplus cash Management monitors rolling forecasts of the Company's liquidity reserves on the basis of expected cash flow This is generally carried out at Company level based on monthly returns made by the Company's operating units

3 2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain a capital structure appropriate to the nature of the business

3 3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date The quoted market price used for financial assets held by the Company is the current bid price

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments

4 Critical accounting estimates and judgments

The directors make estimates and assumptions concerning the future The resulting accounting estimates will, by definition, seldom equal the related actual results Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

i) Revenue recognition

Revenue from permanent placements is recognised when a candidate accepts an offer of employment and a start date has been determined There are occasionally circumstances where a candidate never takes up the offer of employment and the revenue has to be backed out in subsequent periods A provision for back-outs is made at the time of revenue recognition, based on an estimate of the number of employment offers that will not be taken up

ii) Bad debt provision

In deciding the level of bad debt provision required management exercises judgement based on the age of the debt, knowledge of any known disputes surrounding the debt, the credit rating and company's past experience of trading with the client The accounting treatment of this provision is described in note 2 9

5 Segmental analysis

The chief operating decision-maker has been identified as the Board This Board reviews the Company's internal reporting in order to assess performance and allocate resources, based upon operating profit The Board considers that the business comprises one operating segment

6 Directors' remuneration

The directors are employed by PSD Limited, a fellow subsidiary company, their services to the Company are of a non-executive nature and their emoluments are deemed to be wholly in respect of their services to those companies Accordingly, the Company includes no emoluments in respect of them

7 Staff costs

	2013 £'000	2012 £'000
Wages and salaries	**431**	485
Social security costs	**53**	62
	484	547

The average monthly number of employees during the year was 4 (2012 4)

All the staff are considered to be administrative

8 Profit before income tax

	2013 £'000	2012 £'000
Profit before taxation is stated after charging		
Auditors' remuneration	**3**	3
Foreign exchange loss	**5**	-

9a Tax on profit on ordinary activities

The tax charge arises from continuing operations and is made up as follows

	2013 £'000	2012 £'000
Current tax – UK Corporation Tax	**22**	46
Tax on profit on ordinary activities	**22**	46

9b Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2012 equal to) the standard rate of corporation tax in the UK 23 25% (2012 24 5%) The difference is reconciled as follows

	2013 £'000	2012 £'000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 25% (2012 24 5%)	**21**	46
Expenses not deductible for tax purposes	**1**	-
	22	46

10 Dividends

	2013 £'000	2012 £'000
Dividends for 2013 of £Nil per share (2012 £Nil per share)	**-**	-

11. Trade and other receivables

	2013 £'000	2012 £'000
Trade receivables	**555**	410
Less provision for impairment of trade receivables	-	-
Trade receivables -net	**555**	410
Amounts owed by Group undertakings	-	45
Accrued Income	**123**	84
	678	539

Trade and other receivables balances equal their carrying balances as the impact of discounting is not significant Amounts owed by Group undertakings are repayable on demand

Trade and other receivables do not contain impaired assets

The maximum exposure to credit risk at the reporting date is the fair value of each days of receivables mentioned above The Company does not hold any collateral as security

12. Trade and other payables – current

	2013 £'000	2012 £'000
Trade receivables	**18**	-
Accruals and other payables	**88**	143
Amounts owed to Group undertakings	**141**	-
	247	143

Amounts owed to Group undertakings are payable on demand

13 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**2**	2

14 Capital commitments

The company had capital commitments at the end of the year of £Nil (2012 £Nil)

15 Reconciliation of profit before tax to cash generated by operations

	2013 £'000	2012 £'000
Profit before income tax	**92**	187
Changes in working capital		
Decrease/(increase) in trade and other receivables	**(139)**	177
(Decrease)/increase in trade and other payables	**104**	(343)
Cash generated by operations	**57**	21

16. Related party transactions

At 31 December 2013 Hoggett Bowers Interim Management Limited owed £141,000 to the parent company PSD Limited This balance is the net result of both parties settling liabilities due by, and receiving settlement for debts due to, the other party

Costs accrued or paid that benefit more than one group company are apportioned based on the number of client service employees

During the year ended 31 December 2013, direct costs of £2,009,000 were recharged from PSD Contracts Limited, a group company under common control A further £2,000 of direct costs and administrative expenses of £655,000 were recharged from the parent company PSD Limited

Offerco Limited, is a company controlled by Mr P Hearn Mr Hearn is also a director of PSD Group Limited For the year ended 31 December 2013 directors fees amounting to £30,000 (2012 £30,000) are due to OPD Group Limited, a subsidiary for Offerco Limited, for the services of Mr Hearn Of this, £1,000 (2012 £1,000) was recharged to Hoggett Bowers Interim Management Limited during the year and included in administrative expenses on the Statement of comprehensive income

17. Ultimate parent undertaking

The ultimate parent undertaking and controlling party of the company is PSD Group Limited, a private company incorporated in England The smallest and largest group producing consolidated accounts into which the results of the company for the year ended 31 December 2013 are consolidated is PSD Group Limited The accounts of the Group are available from Companies House