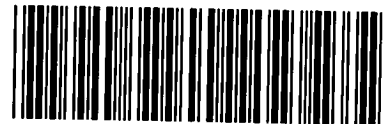


Company Registration No. 00874026 (England and Wales)

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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COMPANIES HOUSE

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
COMPANY INFORMATION

Directors	S D Trippick S Smith	(Appointed 16 September 2016)
Secretary	C S Fear	
Company number	00874026	
Registered office	2nd Floor Enterprise House Ocean Village Southampton Hampshire SO14 3XB	
Auditor	Fiander Tovell LLP Stag Gates House 63/64 The Avenue Southampton Hampshire SO17 1XS	
Business address	2nd Floor Enterprise House Ocean Village Southampton Hampshire SO14 3XB	

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
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ANDERSELITE LIMITED

(FORMERLY CDI ANDERSELITE LIMITED)

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

The directors present the strategic report for the period ended 30 September 2016.

Fair review of the business

During the past nine months, the business has continued to see weakness across its rail business which declined by 44% over the same period in the prior year. This has combined with a shift by many of the larger clients towards recruiting permanent staff as an alternative to contract staff, which has had a further dampening impact on revenues. In June in response to these trends the directors began a restructuring of the business, which included a change of leadership in the rail division, a simplification of the company management structure and a focus on reducing overheads, growing contractor numbers and improving productivity.

Position of the company at 30 September and outlook for the future

On 16 September 2016, the company completed a management buy out from its parent company, CDI Corporation (USA). This resulted in the formation of Anderselite Holdings Limited which owns 100% of the shares of Anderselite Limited. Anderselite Holdings Limited is in turn 80.01% owned by the staff and management, with CDI Corporation (USA) retaining warrants for the remaining 19.99%. More than 30% of the staff of Anderselite Limited now participate directly in the ownership of Anderselite Holdings Limited.

As part of the management buyout package intercompany loans were repaid or written off. The write off of intercompany loans between Anderselite Limited and CDI Corporation (USA) created a write back to the profit and loss account of £3.8m in this period. Operating as an independent company will also allow the directors to take further steps to reduce non-revenue generating overheads, and we expect to achieve circa £1m of cost savings in the coming fiscal year.

The directors believe that increasingly clients are looking for innovative recruitment solutions that not only reduce costs, but also provide answers to the other challenges they are facing in the UK; these challenges include :- skills shortages, time-to-hire, diversity, retention and cost-to-hire. During the next financial period the business will continue to invest in, and develop tools, techniques and systems that address these specific problems.

To improve communication and coordination across its network of offices the company will also be creating three new vertical business units each focused on a different sector (e.g. Construction, Civil Engineering and Technical). These units will have separate profit and loss accounts and the respective management will be responsible for delivering profitable growth.

The steps detailed above together with the current robust market conditions give the directors confidence that the business will return to growth with improved profitability over the next twelve months.

Risks and Uncertainties

The policies set by the board of the directors are implemented by the company's finance department. The department have a uniform set of policies and procedures that have established specific guidelines for managing financial risks facing the company. In the opinion of the directors, the following are the key trading and financial risks of the company.

Trading Risks

The company has a large number of different customers, operating in different sectors. This spreads the risk of any specific customer facing financial difficulties or the customer changing their supplier. In addition the types of candidates the company places are varied, with each of them having different skill sets. This also reduces the exposure of the company to changes in demand for different types of employee.

Credit Risks

The company uses credit reference agencies in determining credit limits for new customers, and periodically reviews the appropriateness of these limits. The impact of any single credit default is minimised by the fact that the company has a large number of customers.

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Interest Rate Risk

The company works closely with its debt providers to ensure that it obtains the most competitive rates available on the finance it needs.

Risk Management

The key financial instruments of the company are cash, trade debtors, the invoice discount facility and trade creditors.

The board of directors continues to make risk management a priority and management are tasked with developing the appropriate plans to mitigate the risks identified above.

- All contractual terms are reviewed by both the Chief Executive Officer and Chief Financial Officer
- Aged debtors are reviewed weekly and debtor days are monitored by senior management
- Client concentration is actively managed and the business benefits from a broad and diverse client listing
- The company ensures compliance with all the relevant legislation
- Any accidents or incidents are reviewed by the executive management on a fortnightly basis and the appropriate corrective actions are put in place

The board of directors constantly monitors the macro economic environment, particularly in light of Brexit and the performance of the various units within the business. Anderselite Limited has demonstrated over the past thirty plus years its resilience and ability to cope with changing market conditions. The directors remain confident that their strategy will enable the company to deliver profitable growth.

The board continues to support various initiatives focused on promoting diversity, protecting the environment and supporting charities which help the homeless.

Key Performance Indicators

The directors consider the principal key performance indicators to be:

- Net profit margin
- Gross contract margin and average number of contract timesheets per week
- Gross permanent margin and number of permanent placements
- Average contribution per member of staff
- Days sales outstanding

Net profit has increased from a loss of £691,811 for the nine months to 30 September 2015 to a profit of £1,392,620 for the same period in 2016. This is mostly due to the intercompany loan write off arising as part of the management buyout.

Gross contract margin declined in the period driven by weakness in the rail sector as previously mentioned and also a fall in sales staff.

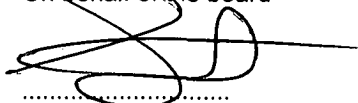
Perm margin dropped by a much lesser degree and was largely driven by restructuring of the perm team to remove non-productive recruiters. Overall, average contribution per member of staff fell by around 10% driven by the decline in rail contract business. We expect this to return to above 2016 levels during 2017 as the restructured business is based around a smaller and more productive recruiter base.

DSO has increased slightly in the period driven by a shift to larger clients with longer payment terms, however good credit control in the early part of 2017 has pushed DSO back to below 2015 levels.

The directors are comfortable that each of the KPIs are tracking in such a manner that will allow the company to achieve its short and longer-term strategies and as such fulfil the company's objectives.

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

On behalf of the board



.....
S D Trippick

Director

28/4/17
.....

**ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

The directors present their annual report and financial statements for the period ended 30 September 2016.

On 20 September 2016 the company changed its name from CDI AndersElite Limited to Anderselite Limited.

Principal activities

The principal activity of the company continued to be that of providing technical and managerial personnel to the construction, property, rail and engineering industries throughout the UK, either on a permanent basis, or on a fixed-period contract basis.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

S D Trippick

S Smith

B D Short

(Appointed 16 September 2016)

(Resigned 16 September 2016)

Results and dividends

The results for the period are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Fiander Tovell LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Transfer of ownership

On 16 September 2016 ownership of the company was transferred to Anderselite Holdings Limited, a new holding company which is currently owned by the management and employees of Anderselite Limited. At this date, CDI Corporation (USA), the former parent company of Anderselite Limited was issued warrants representing 19.99% of the fully diluted equity in Anderselite Holdings Limited and was repaid approximately £6m of the intercompany debt owing from Anderselite Limited to CDI Corporation (USA).

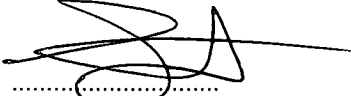
Following the transfer of ownership, on 20 September 2016 the company changed its name from CDI AndersElite Limited to Anderselite Limited. The accounting period was also shortened to the 9 months to 30 September 2016. The comparatives are for the twelve months to 31 December 2015.

Strategic report

Where there is a choice between disclosing information in the Directors' Report or the Strategic Report under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the directors have decided to disclose these items in the Strategic Report.

**ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

On behalf of the board


.....
S D Trippick
Director
28/4/17
.....

**ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ANDERSELITE LIMITED

We have audited the financial statements of Anderselite Limited for the period ended 30 September 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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.

**ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ANDERSELITE LIMITED**

Opinion on financial statements

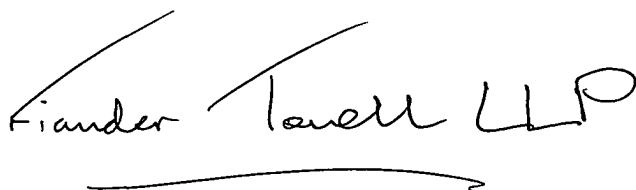
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial period 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.

In the 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 and the Directors' Report.



Andrew Jay ACA FCCA (Senior Statutory Auditor)
for and on behalf of Fiander Tovell LLP

28/4/17

Fiander Tovell LLP

Chartered Accountants
Statutory Auditor

Stag Gates House
63/64 The Avenue
Southampton
Hampshire
SO17 1XS

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

		Period ended 30 September 2016	Year ended 31 December 2015 as restated
	Notes	£	£
Turnover	3	44,657,901	68,326,918
Cost of sales		(37,266,856)	(57,005,508)
Gross profit		7,391,045	11,321,410
Administrative expenses		(9,185,597)	(12,994,640)
Exceptional item	4	3,793,088	-
Operating profit/(loss)	5	1,998,536	(1,673,230)
Interest receivable and similar income	9	99	107
Interest payable and similar expenses	10	(139,535)	(206,810)
Profit/(loss) before taxation		1,859,100	(1,879,933)
Taxation	11	(466,480)	9,000
Profit/(loss) for the financial period		1,392,620	(1,870,933)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
BALANCE SHEET

AS AT 30 SEPTEMBER 2016

		2016		2015 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	12		816,949		1,033,732
Tangible assets	13		317,490		460,258
Investments	14		4		4
			<u>1,134,443</u>		<u>1,493,994</u>
Current assets					
Debtors	16	12,744,983		15,454,828	
Cash at bank and in hand		664,361		2,310,153	
		<u>13,409,344</u>		<u>17,764,981</u>	
Creditors: amounts falling due within one year	17	(11,269,606)		(17,468,969)	
Net current assets			<u>2,139,738</u>		<u>296,012</u>
Total assets less current liabilities			<u>3,274,181</u>		<u>1,790,006</u>
Provisions for liabilities	19		(243,555)		(152,000)
Net assets			<u><u>3,030,626</u></u>		<u><u>1,638,006</u></u>
Capital and reserves					
Called up share capital	23		200		200
Share premium account			1,098,668		1,098,668
Profit and loss reserves			1,931,758		539,138
Total equity			<u><u>3,030,626</u></u>		<u><u>1,638,006</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28th April 2017 and are signed on its behalf by:


S D Trippick
Director


S Smith
Director

Company Registration No. 00874026

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2015:					
Balance at 1 January 2015		200	1,098,668	2,394,095	3,492,963
Period ended 31 December 2015:					
Loss and total comprehensive income for the period		-	-	(1,870,933)	(1,870,933)
Credit to equity for equity settled share-based payments	22	-	-	15,976	15,976
Balance at 31 December 2015		200	1,098,668	539,138	1,638,006
Period ended 30 September 2016:					
Profit and total comprehensive income for the period		-	-	1,392,620	1,392,620
Balance at 30 September 2016		200	1,098,668	1,931,758	3,030,626

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1 Accounting policies

Company information

Anderselite Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, Enterprise House, Ocean Village, Southampton, Hampshire, SO14 3XB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The results of this company are consolidated within CDI Corporation (USA) until the date of sale, 16 September 2016. Copies of the consolidated financial statements of CDI Corporation (USA), can be obtained from 1717 Arch Street, 35th Floor, Philadelphia, PA 19103-2768, USA.

From 16 September 2016 the ownership of Anderselite Limited transferred to Anderselite Holdings Limited. The results of the entity from this date will be consolidated into Anderselite Holding Limited, the financial statements for which will be publicly available from Companies House.

1.2 Going concern

The directors have prepared forecasts based on current expectations of future market conditions and based on these the directors have a reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have entered into a £10m invoice discounting facility with Lloyds bank in September 2016 and the company is expected to continue to generate positive cash flows. The directors are comfortable that there is adequate headroom in the facility to trade for the foreseeable future and expect to be in compliance with the operating conditions of the facility.

1.3 Turnover

Turnover comprises of fees for the supply of personnel on a contract basis, as well as placement fees for a permanent placement, net of value added tax. Income for the provision of fixed-period contract staff is recognised over the period of the contract and income for the provision of permanent staff is recognised when the individual starts employment.

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1 Accounting policies **(Continued)**

1.4 Intangible fixed assets - goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Historic goodwill arising prior to the transition date of 1 January 2014 has been fully written down in previous years therefore no amortisation is applicable.

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 15 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

1.5 Intangible fixed assets other than goodwill

The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	7 years straight line
Customer list	4.5 years straight line

The company has estimated the useful life of the customer relationship asset based on a proxy of customer attrition from historic experience.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10 years straight line
Fixtures and fittings	10 years straight line
Computers	4 - 7 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ANDERSELITE LIMITED
(FORMERLY CDI ANDERSELITE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

The company has 5 possible share-based payment schemes available to its employees: share options, share appreciation rights, time-vested deferred shares, performance contingent deferred shares and performance shares (further details of each of the active schemes are given in note 22). The fair value of each of the schemes granted is recognised, as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the payments. The fair value of the options is measured using the Black-Scholes pricing model, taking into account the terms and conditions applying to the grant.

The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

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2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Dilapidations

Dilapidations are accrued to cover any funds that will be payable to the landlord on lease termination. Anderselite use a third party property expert to assist in estimating their potential dilapidations liability. The expert has advised an accrual of £10 per square foot to cover fees payable to landlords in order to rectify offices and properties to their original condition.

Debtor Provisions

Anderselite Limited provides for bad debts when information comes to their attention that a debt may not be recovered. The specific provision is made up of customers that have entered administration. Anderselite also raise a £30,000 general provision to cover miscellaneous receivables where no formal information is available.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Services rendered	44,657,901	68,326,918
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	99	107
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2016 £	2015 £
United Kingdom	44,657,901	68,326,918
	<u> </u>	<u> </u>

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4 Exceptional costs/(income)

	2016	2015
	£	£
Intercompany loan write off	(3,793,088)	-

On September 2016 ownership of the company was transferred to Anderselite Holdings Limited a new holding company which is currently owned by the Management and Employees of Anderselite Limited. At the same time, CDI Corporation, the company's former owner was issued warrants representing 19.99% of the fully diluted equity in Anderselite Holdings Limited. CDI Corporation was repaid circa £6million of the intercompany loan owing from Anderselite Limited, the remainder of £3,793,088 was written off to the profit and loss account in the period.

5 Operating profit/(loss)

	2016	2015
	£	£
Operating profit/(loss) for the period is stated after charging/(crediting):		
Exchange (gains)/losses	(11,919)	8,477
Depreciation of owned tangible fixed assets	153,683	317,330
Amortisation of intangible assets	176,452	86,276
Share-based payments	-	15,976
Operating lease charges	517,364	638,558

6 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the company's financial statements	20,000	48,000
Audit of the company's subsidiaries	4,000	-
	<u>24,000</u>	<u>48,000</u>
For other services		
Audit-related assurance services	-	23,000
Taxation compliance services	3,000	-
Services relating to corporate finance transactions	9,990	-
	<u>12,990</u>	<u>23,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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7 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2016	2015
	Number	Number
Sales consultants	141	153
Management and administration	36	39
	<u>177</u>	<u>192</u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	5,342,484	7,595,680
Social security costs	594,233	842,257
Pension costs	173,956	209,514
	<u>6,110,673</u>	<u>8,647,451</u>

8 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	242,053	236,202
Amounts receivable under long term incentive schemes	-	11,000
Company pension contributions to defined contribution schemes	10,105	7,453
	<u>252,158</u>	<u>254,655</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 1).

The number of directors who exercised share options during the period was 2 (2015 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	121,373	236,202
Company pension contributions to defined contribution schemes	4,285	7,453
	<u>125,658</u>	<u>243,655</u>

The highest paid director has been entitled to receive shares under a long term incentive scheme during the period.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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9 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Interest on bank deposits	99	107
	<u> </u>	<u> </u>

10 Interest payable and similar expenses

	2016	2015
	£	£
Interest on bank overdrafts and loans	19,665	31,770
Interest payable to group undertakings	119,870	175,040
	<u> </u>	<u> </u>

11 Taxation

	2016	2015
	£	£
Deferred tax		
Origination and reversal of timing differences	466,480	(9,000)
	<u> </u>	<u> </u>

The actual charge/(credit) for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

	2016	2015
	£	£
Profit/(loss) before taxation	1,859,100	(1,879,933)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	371,820	(380,686)
Tax effect of expenses that are not deductible in determining taxable profit	48,942	14,686
Tax effect of income not taxable in determining taxable profit	(758,618)	-
Tax effect of utilisation of tax losses not previously recognised	-	318,000
Change in unrecognised deferred tax assets	438,581	-
Permanent capital allowances in excess of depreciation	-	48,000
Origination and reversal of timing differences	-	(9,000)
Effect of change of tax rate on deferred tax	365,755	-
	<u> </u>	<u> </u>
Taxation for the period	466,480	(9,000)
	<u> </u>	<u> </u>

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12 Intangible fixed assets

	Goodwill £	Software £	Customer list £	Total £
Cost				
At 1 January 2016	3,838,000	263,853	965,764	5,067,617
Other changes	-	-	(40,331)	(40,331)
At 30 September 2016	3,838,000	263,853	925,433	5,027,286
Amortisation and impairment				
At 1 January 2016	3,838,000	142,718	53,167	4,033,885
Amortisation charged for the period	-	23,977	152,475	176,452
At 30 September 2016	3,838,000	166,695	205,642	4,210,337
Carrying amount				
At 30 September 2016	-	97,158	719,791	816,949
At 31 December 2015	-	121,135	912,597	1,033,732

On 5 October 2015 the company acquired certain live assignments and contractors from a company called ShipShape Limited. Cash consideration of £579,845 was paid at this date. At the reporting date, deferred consideration was estimated to be £184,588 (2015: £224,919). The adjustment to cost of £40,331 reflects the movement in deferred consideration.

13 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Total £
Cost			
At 1 January 2016	206,917	941,925	1,148,842
Additions	5,614	5,301	10,915
Disposals	-	(31,622)	(31,622)
At 30 September 2016	212,531	915,604	1,128,135
Depreciation and impairment			
At 1 January 2016	118,433	570,151	688,584
Depreciation charged in the period	30,729	122,954	153,683
Eliminated in respect of disposals	-	(31,622)	(31,622)
At 30 September 2016	149,162	661,483	810,645
Carrying amount			
At 30 September 2016	63,369	254,121	317,490
At 31 December 2015	88,484	371,774	460,258

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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14 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	15	4	4

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2016 & 30 September 2016	4
Carrying amount	
At 30 September 2016	4
At 31 December 2015	4

15 Subsidiaries

Details of the company's subsidiaries at 30 September 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Elite Contractor Services Limited	England & Wales	Commercial contractor	Ordinary £1 share	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Elite Contractor Services Limited	(36,364)	658,068

16 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	10,358,713	11,411,448
Amounts due from fellow group undertakings	-	415,007
Other debtors	113,937	113,987
Prepayments and accrued income	2,131,738	2,856,386
	<u>12,604,388</u>	<u>14,796,828</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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16 Debtors (Continued)

	2016	2015
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 20)	140,595	658,000
	<u>12,744,983</u>	<u>15,454,828</u>
Total debtors	<u>12,744,983</u>	<u>15,454,828</u>

17 Creditors: amounts falling due within one year

	Notes	2016	2015
		£	£
Other borrowings	18	2,377,076	11,145,346
Trade creditors		419,600	236,839
Other taxation and social security		879,785	984,569
Other creditors		5,530,844	2,606,181
Accruals and deferred income		2,062,301	2,496,034
		<u>11,269,606</u>	<u>17,468,969</u>

The short term loan within other creditors is made up of an invoice discounting facility. The facility is secured by fixed charges over the company's receivables.

18 Loans and overdrafts

	2016	2015
	£	£
Loans from group undertakings	2,377,076	11,145,346
	<u>2,377,076</u>	<u>11,145,346</u>
Payable within one year	2,377,076	11,145,346
	<u>2,377,076</u>	<u>11,145,346</u>

The short term loan within other creditors is made up of an invoice discounting facility. The facility is secured by fixed charges over the company's receivables.

19 Provisions for liabilities

	Notes	2016	2015
		£	£
Dilapidations provision		142,480	-
Deferred tax liabilities	20	101,075	152,000
		<u>243,555</u>	<u>152,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

19 Provisions for liabilities

(Continued)

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	Dilapidations provision £
Additional provisions in the year	142,480

The dilapidations provision is calculated according to the accounting policy disclosed in note 2 in respect of all leases that contain a dilapidations clause. The provision is calculated in respect of four leases which expire on different dates. The estimated value of the dilapidations is being accrued over the life of the lease.

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
Balances:				
Tax losses	-	-	140,595	658,000
Arising on business combinations	101,075	152,000	-	-
	<u>101,075</u>	<u>152,000</u>	<u>140,595</u>	<u>658,000</u>
				2016 £
Movements in the period:				
Liability/(Asset) at 1 January 2016				(506,000)
Charge to profit or loss				466,480
Liability/(Asset) at 30 September 2016				<u>(39,520)</u>

In addition to the deferred tax assets and liabilities above, the company has additional unrecognised deferred tax asset as a result of historic trading losses of £2,480,000 (2015: £379,000).

21 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>173,956</u>	<u>209,514</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the year end there were contributions payable to the pension company of £20,916 (2015: £11,671).

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22 Share-based payment transactions

The company has the following active equity settled share based payment types.

Share options, share appreciation rights and time-vested deferred shares, in the former ultimate parent company's share capital, CDI corporation, have been granted to management since 7 November 2002.

The terms and conditions of grants are as follows, whereby all options are settled by physical delivery of shares; and are therefore treated as equity settled.

Share options - 'Options' are generally granted at a price equal to or greater than the quoted market price per CDI Corporation ordinary shares on the date of grant. Employee share options generally vest over a five year period and expire seven years from grant. The expected share price volatility is based on the historical volatility of CDI Corporation Ordinary shares over the previous five years.

Share Appreciation Rights - 'SARs' generally vest over a five year period and expire seven years from the date of grant. Upon exercise, the amount of appreciation in the CDI Corporation share price, minus withholding tax, is payable to the holder in CDI Corporation ordinary shares.

Time Vested Deferred Shares - 'TVDS' entitles each recipient to receive a number of CDI Corporation ordinary shares upon vesting. The shares vest 20% on each of the next five anniversaries of the date of grant. Deferred stock will generally be forfeited prior to vesting if the holder's employment with the company ends. Upon vesting a holder of deferred stock is credited with additional CDI ordinary share having a fair market value equal to the sum of the dividends that would have been paid on the deferred shares.

These transactions are recognised as an expense based on the estimated fair value of the award at the date of grant. The company used the Black-Scholes option pricing model to estimate the value of all share awards.

	Number of share options		Weighted average exercise price	
	2016 Number	2015 Number	2016 £	2015 £
Outstanding at 1 January 2016	10,836	33,910	9.55	10.06
Granted	-	3,000	-	8.58
Exercised	(1,781)	(21,789)	12.27	10.35
Expired	(9,055)	(4,285)	10.71	12.38
	<u>-</u>	<u>10,836</u>	<u>-</u>	<u>9.55</u>
Outstanding at 30 September 2016	-	10,836	-	9.55
	<u>-</u>	<u>10,836</u>	<u>-</u>	<u>9.55</u>
Exercisable at 30 September 2016	-	2,158	-	8.85
	<u>-</u>	<u>2,158</u>	<u>-</u>	<u>8.85</u>

The weighted average share price at the date of exercise for share options exercised during the period was £12 (2015 - £10).

All unused options lapsed on 16 September 2016 when the company left the CDI Corporation Group.

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23 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
20,000 Ordinary shares of 1p each	200	200

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	775,179	666,000
Between two and five years	1,252,294	1,565,000
	<u>2,027,473</u>	<u>2,231,000</u>

25 Related party transactions

The company has taken advantage of the exemption in FRS 102.33.1A Related Party Transactions not to disclose transactions with wholly owned subsidiary undertakings of the group consolidated within CDI Corporation (USA) to the date of sale, 16 September 2016.

The exemption has been applied for the remainder of the year in relation to the group consolidated within Anderselite Holdings Limited.

26 Controlling party

The company's immediate and ultimate holding and controlling party to the 16 September 2016 was CDI Corporation (USA), a company incorporated in the United States of America under the laws of the State of Pennsylvania.

At this date the company's immediate parent company changed to Anderselite Holdings Limited. This company is primarily owned by the management and employees of Anderselite Limited.

There are no individuals that hold a controlling interest.

27 Prior period adjustment

The brought forward cost and accumulated depreciation of tangible fixed assets as at 31 December 2015 have been restated to remove the cost and accumulated depreciation for assets that are no longer held by the company. This adjustment has had no effect on the previously reported results in the profit and loss account or the net book value in the balance sheet. However, the adjustment to both cost and accumulated depreciation is considered material at £2,553,276.