

Company Registration No. 00874026 (England and Wales)

ANDERSELITE LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017



ANDERSELITE LIMITED

COMPANY INFORMATION

Directors	S D Trippick S Smith
Secretary	C S Fear
Company number	00874026
Registered office	2nd Floor Enterprise House Ocean Village Southampton Hampshire SO14 3XB
Auditor	Fiander Tovell Limited 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

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ANDERSELITE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present the strategic report for the year ended 30 September 2017.

Fair review of the business

This is the first full year of trading since the management buy out of the business in September 2016. The directors are pleased to report the following key areas of progress in this period:

- Positive EBITDA of £78,933 and continued year on year growth in the first months of 2017/18.
- Pro rata year on year reduction in the overhead base of 21% (Approx £200k per month reduction)
- Completion of the transition to a business structured around the following client focused verticals :
 - Civil Engineering
 - Construction
 - Trades
 - IT
 - Rail/Safety Critical
 - National Accounts
- Continued focus on debtor management with days sales outstanding (DSO) reduced by 4 days to 52 and the introduction of a bad debt insurance cover for the first time in the Company's history.
- Launch of a new strategic initiative, the objective of which is to differentiate our offering from the competition based on quality of service. Internally and externally this is promoted using the tag line "a better experience". Service levels are measured using customer ratings and feedback collected by an independent 3rd party.

Position of the company at 30 September 2017 and outlook for the future

The company saw a pro rata 6% reduction in gross profit in the year but reduced overheads by 21% in the same period leading to an overall EBITDA of £78,933. Additionally the company received dividends of £648,718 from its non trading subsidiary Elite Contracting Services Limited. Shareholders equity has increased by £230k to £3.2m and the directors believe that the balance sheet remains in a healthy position to allow future growth.

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

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 and EBITDA
- 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 (DSO)

EBITDA has increased from a loss of £1,464,417 (excluding exceptional items) for the nine months ended 30 September 2016 to a profit of £78,933 for the year ended 30 September 2017. This has been largely driven by reductions in overheads which have been achieved since the MBO in September 2016.

Pro rata, gross contract margin fell by 8% in the year, primarily relating to the reduction of recruiters in loss making parts of the business. Pro rata 'perm' margin was effectively flat but remained at a strong level reflecting continued high demand for staff in the company's core sectors.

DSO fell by 4 days in the year reflecting continued tight controls over credit and collection processes.

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.

On behalf of the board



S D Trippick

Director

Date: 13/3/18

ANDERSELITE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their annual report and financial statements for the year ended 30 September 2017.

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 year and up to the date of signature of the financial statements were as follows:

S D Trippick
S Smith

Results and dividends

The results for the year are set out on page 7.

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

Auditor

Fiander Tovell Limited 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 directors' responsibilities

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.

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.

ANDERSELITE LIMITED

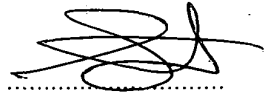
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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.

On behalf of the board



S D Trippick

Director

Date: 13/2/18

ANDERSELITE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ANDERSELITE LIMITED

Opinion

We have audited the financial statements of Anderselite Limited (the 'company') for the year ended 30 September 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

ANDERSELITE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF ANDERSELITE LIMITED

Matters on which we are required to report by exception

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.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

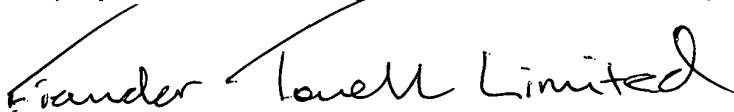
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

22/3/18

Chartered Accountants
Statutory Auditor

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

ANDERSELITE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

		Year ended 30 September 2017 £	Period ended 30 September 2016 £
	Notes		
Turnover	3	54,908,908	44,657,901
Cost of sales		(45,604,583)	(37,266,856)
Gross profit		9,304,325	7,391,045
Administrative expenses		(9,703,691)	(9,185,597)
Other operating income		72,692	-
Exceptional item	4	-	3,793,088
Operating (loss)/profit	5	(326,674)	1,998,536
Interest receivable and similar income	9	648,718	99
Interest payable and similar expenses	10	(121,721)	(139,535)
Profit before taxation		200,323	1,859,100
Tax on profit	11	32,376	(466,480)
Profit for the financial year		232,699	1,392,620

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

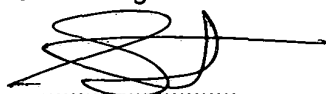
ANDERSELITE LIMITED

BALANCE SHEET

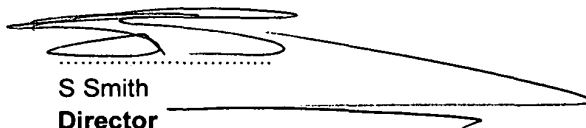
AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	12		22,917		-
Other intangible assets	12		694,260		816,949
Total intangible assets			717,177		816,949
Tangible assets	13		232,986		317,490
Investments	14		4		4
			950,167		1,134,443
Current assets					
Debtors	16	12,189,066		12,744,983	
Cash at bank and in hand		756,508		664,361	
			12,945,574		13,409,344
Creditors: amounts falling due within one year	17	(10,426,283)		(11,269,606)	
Net current assets			2,519,291		2,139,738
Total assets less current liabilities			3,469,458		3,274,181
Provisions for liabilities	19		(206,133)		(243,555)
Net assets			3,263,325		3,030,626
Capital and reserves					
Called up share capital	23		200		200
Share premium account			1,098,668		1,098,668
Profit and loss reserves			2,164,457		1,931,758
Total equity			3,263,325		3,030,626

The financial statements were approved by the board of directors and authorised for issue on 13/03/18 and are signed on its behalf by:



S D Trippick
Director



S Smith
Director

Company Registration No. 00874026

ANDERSELITE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2016	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
Period ended 30 September 2017: Profit and total comprehensive income for the period	-	-	232,699	232,699
Balance at 30 September 2017	200	1,098,668	2,164,457	3,263,325

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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. 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 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- 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 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Anderselite Limited is a wholly owned subsidiary of Anderselite Holdings Limited and the results of Anderselite Limited are included in the consolidated financial statements of Anderselite Holdings Limited which are 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 expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The invoice discounting facility with Lloyds bank was renewed in August 2017 with the next renewal date being 30 June 2018. The directors do not expect there to be any issues renewing the facility in 2018. 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.

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.3 Reporting period

The comparative figures are for the nine month period ended 30 September 2016. The current year figures are for the year to 30 September 2017 meaning the comparative amounts presented in the financial statements, including the related notes, are not entirely comparable.

1.4 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.

1.5 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 acquired in year 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 2 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.

1.6 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 economic life of the customer relationship asset based on a proxy of customer attrition from historic experience.

1.7 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.

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.8 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.

1.9 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.

1.10 Cash at bank and in hand

Cash at bank and in hand 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.

1.11 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.

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.

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

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

1.12 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.

1.13 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.

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

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.

1.14 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 in which it arises.

1.15 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.

1.16 Retirement benefits

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

1.17 Share-based payments

In previous periods, the company had 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. 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.

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.18 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.

1.19 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.

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.

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover analysed by class of business		
Services rendered	54,908,908	44,657,901
	<u> </u>	<u> </u>
	2017 £	2016 £
Other significant revenue		
Interest income	-	99
Dividends received	648,718	-
	<u> </u>	<u> </u>

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

3	Turnover and other revenue	(Continued)	
		2017	2016
		£	£
	Turnover analysed by geographical market		
	United Kingdom	54,908,908	44,657,901

4	Exceptional costs/(income)	2017	2016
		£	£
	Intercompany loan write off	-	(3,793,088)

The figure shown for the comparative period, represents an amount owed to the former parent company that was written off in 2016.

5	Operating (loss)/profit	2017	2016
		£	£
	Operating (loss)/profit for the period is stated after charging/(crediting):		
	Exchange gains	(48,546)	(11,919)
	Depreciation of owned tangible fixed assets	149,746	153,683
	Loss on disposal of tangible fixed assets	10,304	-
	Amortisation of intangible assets	245,557	176,452
	Operating lease charges	630,040	517,364

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £48,546 (2016 - £11,919).

6	Auditor's remuneration	2017	2016
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the company	21,600	20,000
	Audit of the financial statements of the company's subsidiaries	4,000	4,000
		25,600	24,000
	For other services		
	Taxation compliance services	2,600	3,000
	Services relating to corporate finance transactions	-	9,990
		2,600	12,990

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

7 Employees

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

	2017 Number	2016 Number
Sales consultants	114	141
Management and administration	27	36
	<u>141</u>	<u>177</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	5,800,807	5,342,484
Social security costs	642,576	594,233
Pension costs	141,518	173,956
	<u>6,584,901</u>	<u>6,110,673</u>

8 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	296,943	242,053
Company pension contributions to defined contribution schemes	12,673	10,105
	<u>309,616</u>	<u>252,158</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 - 2).

The number of directors who exercised share options during the year was 0 (2016 - 2).

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

	2017 £	2016 £
Remuneration for qualifying services	156,600	121,373
Company pension contributions to defined contribution schemes	7,173	4,285
	<u>163,773</u>	<u>125,658</u>

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

9 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	-	99
Income from fixed asset investments		
Income from shares in group undertakings	648,718	-
Total income	648,718	99

10 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and loans	317	19,665
Interest on invoice finance arrangements	121,404	-
Interest payable to group undertakings	-	119,870
	121,721	139,535

11 Taxation

	2017 £	2016 £
Deferred tax		
Origination and reversal of timing differences	(32,376)	466,480

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

	2017 £	2016 £
Profit before taxation	200,323	1,859,100
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	39,063	371,820
Tax effect of expenses that are not deductible in determining taxable profit	1,197	48,942
Tax effect of income not taxable in determining taxable profit	-	(758,618)
Change in unrecognised deferred tax assets	53,864	438,581
Dividend income	(126,500)	-
Effect of change of tax rate on deferred tax	-	365,755
Taxation (credit)/charge for the period	(32,376)	466,480

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

12 Intangible fixed assets

	Goodwill £	Software £	Customer list £	Total £
Cost				
At 1 October 2016	3,838,000	263,853	925,433	5,027,286
Additions - separately acquired	25,000	120,784	-	145,784
Disposals	-	(8,444)	-	(8,444)
At 30 September 2017	3,863,000	376,193	925,433	5,164,626
Amortisation and impairment				
At 1 October 2016	3,838,000	166,695	205,641	4,210,336
Amortisation charged for the year	2,083	37,832	205,642	245,557
Disposals	-	(8,444)	-	(8,444)
At 30 September 2017	3,840,083	196,083	411,283	4,447,449
Carrying amount				
At 30 September 2017	22,917	180,110	514,150	717,177
At 30 September 2016	-	97,158	719,791	816,949

During the year, Anderselite completed the acquisition of EMC Projects trade and business assets. The excess of cost over the asset value on acquisition has been recognised as goodwill.

13 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Total £
Cost			
At 1 October 2016	212,531	915,604	1,128,135
Additions	-	75,548	75,548
Disposals	(2,293)	(363,244)	(365,537)
At 30 September 2017	210,238	627,908	838,146
Depreciation and impairment			
At 1 October 2016	149,162	661,483	810,645
Depreciation charged in the year	38,968	110,778	149,746
Eliminated in respect of disposals	(2,108)	(353,123)	(355,231)
At 30 September 2017	186,022	419,138	605,160
Carrying amount			
At 30 September 2017	24,216	208,770	232,986
At 30 September 2016	63,369	254,121	317,490

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

14 Fixed asset investments

	Notes	2017 £	2016 £
Investments in subsidiaries	15	4	4

15 Subsidiaries

Details of the company's subsidiaries at 30 September 2017 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 shares	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	(7,828)	1,522

16 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	10,086,911	10,358,713
Other debtors	16,773	113,937
Prepayments and accrued income	1,941,289	2,131,738
	<u>12,044,973</u>	<u>12,604,388</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 20)	<u>144,093</u>	<u>140,595</u>
Total debtors	<u>12,189,066</u>	<u>12,744,983</u>

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

17 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Other borrowings	18	1,532,611	2,377,076
Trade creditors		299,211	419,600
Other taxation and social security		300,791	879,785
Other creditors		6,573,189	5,530,844
Accruals and deferred income		1,720,481	2,062,301
		<u>10,426,283</u>	<u>11,269,606</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

	2017 £	2016 £
Loans from group undertakings	<u>1,532,611</u>	<u>2,377,076</u>
Payable within one year	<u>1,532,611</u>	<u>2,377,076</u>

19 Provisions for liabilities

	Notes	2017 £	2016 £
Dilapidations provision		133,936	142,480
Deferred tax liabilities	20	72,197	101,075
		<u>206,133</u>	<u>243,555</u>

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

	Dilapidations provision £
At 1 October 2016	142,480
Additional provisions in the year	24,476
Reversal of provision	(33,020)
At 30 September 2017	<u>133,936</u>

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

19 Provisions for liabilities

(Continued)

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 2017 £	Liabilities 2016 £	Assets 2017 £	Assets 2016 £
Balances:				
Tax losses	-	-	144,093	140,595
Arising on business combinations	72,197	101,075	-	-
	<u>72,197</u>	<u>101,075</u>	<u>144,093</u>	<u>140,595</u>
Movements in the year:				2017 £
Liability/(Asset) at 1 October 2016				(39,520)
Credit to profit or loss				(32,376)
Liability/(Asset) at 30 September 2017				<u>(71,896)</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 £2,505,555 (2016: £2,480,000).

21 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>141,518</u>	<u>173,956</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 £17,847 (2016: £20,916).

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

22 Share-based payment transactions

The company had the following active equity settled share based payment types in the 2016 period.

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	
	2017 Number	2016 Number	2017 £	2016 £
Outstanding at 1 October 2016	-	10,836	-	9.55
Exercised	-	(1,781)	-	12.27
Expired	-	(9,055)	-	10.71
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outstanding at 30 September 2017	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Exercisable at 30 September 2017	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

ANDERSELITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

23 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
20,000 Ordinary shares of 1p each	200	200
	<u>200</u>	<u>200</u>

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:

	2017 £	2016 £
Within one year	571,955	775,179
Between two and five years	482,451	1,252,294
	<u>1,054,406</u>	<u>2,027,473</u>

25 Controlling party

The immediate parent undertaking is Anderselite Holdings Limited, a company incorporated in England and Wales. This company is primarily owned by the management and employees of Anderselite Limited.

There are no individuals that hold a controlling interest.