

Frank Recruitment Group Limited

Annual report and financial statements

Registered number 08473608

30 November 2016

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Strategic report

Principal activities

The principal activity of the company is that of a holding company. The principal activities of the Group are the provision of recruitment consulting services. On 27 April 2016 100% of the Group's share capital was purchased by Finders Bidco Limited.

Business model and strategy

The Frank Recruitment Group ("FRG") is a technology recruitment business operating from strategic hubs and satellite offices in EMEA, America and Asia Pacific. Through a stable of brands the business focuses on niche product markets exhibiting strong growth and supply shortages in which it can become the recognised brand leader. It develops dominant positions in these markets through excellent candidate acquisition and lead generation and by delivering a customer centric 360° solution. The model is to grow its own consultants and management by recruiting, training, motivating and retaining the best talent and giving them an opportunity to develop their careers in a professional and rewarding environment.

The company headquarters are based in Newcastle upon Tyne, UK and has further offices in London, New York, San Francisco, London, Singapore and Melbourne. Having a few large hub offices that cover expansive geographic areas assists in creating one global process, with the same training, systems, database and management structure but most importantly one global culture.

Current Stable of Trading Brands

- Nigel Frank International

Established in 2007, Nigel Frank was the first brand in the FRG stable of brands and is the recognised global leader in Microsoft technology recruitment. FRG delivers Practice Leads, Architects, Developers, Consultants, Technical Consultants and Project Managers across technologies such as MS Dynamics ERP & CRM, Office 365, SharePoint, Lync, MS Exchange, BI and Azure.

- Mason Frank International

Established in 2010, Mason Frank focuses on Salesforce.com recruitment; the world's leading cloud software with \$7bn annual revenues. Mason Frank is an official Salesforce.com Consulting Partner and delivers talent into some of the most exciting projects throughout the USA, Europe, Australasia and Asia Pacific. Having established its position as the #1 Salesforce.com recruiter in EMEA, it is enjoying great success in the US and is rolling out across the Asia Pacific and Australasia regions.

- Churchill Frank International

Churchill Frank was launched in FY14 to focus on Big Data, specifically SAS technology; a product which has annual revenues which exceed \$3bn. From the London offices it delivers SAS Credit Risk, Marketing Analytics, Pharma and Data Management professionals on a Permanent and Freelance basis to clients across the UK and Europe.

- Washington Frank International

Washington Frank was launched in FY14 to focus on the SME ERP software market which has over \$9bn annual revenues. It has identified an opportunity to create a global brand which will deliver ERP professionals into ERP vendors, their Channel Partners and SMEs looking for permanent and freelance employees with skills in Sage, Oracle, Infor, Agresso, SAP B1 and Netsuite.

FRG is focused on specific technologies and these are embedded in companies operating in nearly all sectors of the economy such as manufacturing, retail, oil & gas and pharmaceuticals. Additionally, FRG concentrates on specialist skill sets where demand outstrips supply. Finally, the company operates around the world so FRG believe it will be better able to deal with any downturn in activity when compared to other, more generalist recruiters.

Strategic report *(continued)*

Financial review and KPI's

The operating profit for the year was £5.7m. After adjusting for depreciation and amortisation this resulted in an EBITDA for the period of £6.8m.

Employees

FRG's biggest asset is its employees; significant time and resource is spent to make sure that the company attracts the best talent available, providing them with a clear and achievable career path. The focus on employees in the FRG is broken down into 4 sections:

1 – Recruit

Internal recruitment capability has grown with the business and continues to do so. At the year end the group employed 864 sales people, up from 516 at the end of the prior year. This demonstrates the capacity the business has built up in internal recruitment, training, middle management and support to accommodate that level of growth.

2 – Train

One of the key attractions FRG offers new employees is a well-structured internal global training program that sits alongside a trainee's career progression through to senior management. The success of the training is reflected in the productivity of the staff and the high degree of home grown talent that hold senior positions.

3 – Motivate

FRG regularly reviews its employee remuneration with the aim of offering a competitive package versus its peers. In addition with a meritocratic culture and a growing headcount, employees are presented with accelerated career progression opportunities.

4 – Retain

Career progression and competitive remuneration help retention. The group's ultimate equity sponsor has made available an amount of sweat equity and when allocated, this will mean over 200 employees in middle management and upwards have a shareholding in FRG who are fully aligned to the strategic goals of the business and will share in the financial rewards associated with achieving those goals.

FRG also encourages moving people between offices which presents employees with global opportunities and international career development.

Strategic report *(continued)*

Principal Risks

- Macro-economic

Recruitment as a sector is cyclical and linked to local and global economies. FRG manages this exposure by having an international footprint with revenues coming in from over 50 countries. Additionally, FRG is actively growing its contract business which provides better revenue visibility than permanent business. FRG also has a flexible cost base that can be adjusted quickly to match market conditions.

- Internal Recruitment and retention

The Board know that the key driving force behind achieving future growth is increasing consultant headcount. FRG achieves this by focusing on the recruitment, training, motivation and retention of the best talent possible.

- FX

The Board reviews FX exposure and as part of the budgeting process and relevant forward hedging is performed to reduce material FX exposures.

- Liquidity/cash management

The Board regularly reviews the cash position and the cash flow forecast of the business. The group's policy in respect to credit risk is to conduct appropriate credit checks on customers to minimise any potential losses. All growth is funded from existing business however there is a £7.5m Revolving Credit Facility provided by the syndicated lenders held by the Group's parent entity. This gives an appropriate buffer for the business.

Competition

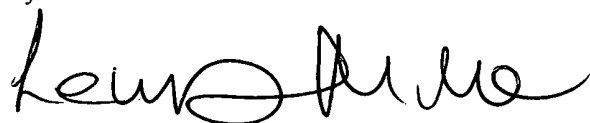
FRG was founded in the UK which is one of the most mature and competitive recruitment markets in the world. The strategy has been, and continues to be, to create strong brand association within specialist markets; coupled with highly trained staff so that FRG stands out as the market leader when attracting clients and candidates. This strategy has successfully been taken global and investment in brand association, staff development and training is regarded as P&L expenditure that ultimately feeds back as additional revenue.

Current Trading

Overall the Group has produced a pleasing start to the year with solid trading across all regions.

Looking ahead the trading environment remains positive across all of our geographical regions and as such investment in headcount and infrastructure will be the key focus for 2017.

By order of the board



L Miller
Director

Metropolitan House
19-21 Collingwood Street
Newcastle upon Tyne
NE1 1JE

31 August 2017

Directors' report

The directors present their directors' report and financial statements for the year ended 30 November 2016.

Directors

The directors who held office during the year and to the date of this report were as follows:

Mr J Lloyd Townshend	(appointed 29 February 2016)
Mr NA O'Donohue	
MR SF Wadsworth	(resigned 22 May 2017)
Mr AS Holloway	(resigned 27 April 2016)
Mr SJ Ross	(resigned 27 April 2016)
Mrs X Walters	(appointed 29 February 2016, resigned 20 June 2016)
Mr XJ Woodward	(resigned 27 April 2016)
Mr LP Miller	(appointed 7 April 2017)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



L Miller
Director

Metropolitan House
19-21 Collingwood Street
Newcastle upon Tyne
NE1 1JE

30 August 2017

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 group and parent company and of their profit or loss for that year. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Frank Recruitment Group Limited

We have audited the financial statements of Frank Recruitment Group Limited for the year ended 30 November 2016 set out on pages 8 to 47. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

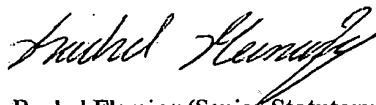
- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2016 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Frank Recruitment Group Limited *(continued)*

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Rachel Fleming (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

31 August 2017

Consolidated income statement
for year ended 30 November 2016

	<i>Note</i>	2016 £000	2015
Revenue			
Cost of sales	1,2	126,492 (65,418)	94,983 (48,984)
Gross profit		61,074	45,999
Administrative expenses		(55,388)	(31,861)
Operating profit	3-5	5,686	14,138
Financial income	6	194	37
Financial expenses	6	(5,500)	(3,360)
Profit before tax		380	10,815
Taxation	7	(1,385)	(2,822)
(Loss)/profit for the year		(1,005)	7,993

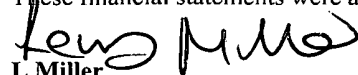
Consolidated statement of comprehensive income
for year ended 30 November 2016

	<i>Note</i>	2016 £000	2015 £000
(Loss)/profit for the year		(1,005)	7,993
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences – foreign operations		1,057	79
Other comprehensive income for the year, net of income tax		1,057	79
Total comprehensive income for the year		52	8,072

Consolidated balance sheet
at 30 November 2016

	<i>Note</i>	2016	2015	1 December 2014
		£000	£000	£000
Non-current assets				
Property, plant and equipment	8	3,250	861	863
Intangible assets	9	24,718	24,595	24,566
		<u>27,968</u>	<u>25,456</u>	<u>25,429</u>
Current assets				
Tax receivable		1,749	258	1,678
Trade and other receivables	12	26,545	15,995	14,430
Cash and cash equivalents	13	1,402	12,149	2,405
		<u>29,696</u>	<u>28,402</u>	<u>18,513</u>
Total assets		<u><u>57,664</u></u>	<u><u>53,858</u></u>	<u><u>43,942</u></u>
Current liabilities				
Other interest-bearing loans and borrowings	14	-	(2,147)	(800)
Trade and other payables	15	(14,608)	(9,281)	(7,326)
Tax payable		(126)	(1,011)	(893)
Other financial liabilities	16	-	(30)	(67)
Provisions	18	(250)	-	-
		<u>(14,984)</u>	<u>(12,469)</u>	<u>(9,086)</u>
Non-current liabilities				
Other interest-bearing loans and borrowings	14	-	(31,806)	(33,746)
Provisions	18	(188)	-	-
Deferred tax liabilities	11	(209)	(37)	(43)
		<u>(397)</u>	<u>(31,843)</u>	<u>(33,789)</u>
Total liabilities		<u><u>(15,381)</u></u>	<u><u>(44,312)</u></u>	<u><u>(42,875)</u></u>
Net assets		<u><u>42,283</u></u>	<u><u>9,546</u></u>	<u><u>1,067</u></u>
Equity attributable to equity holders of the parent				
Share capital	19	15	15	14
Share premium		153	153	153
Capital contribution reserve		29,868	-	-
Capital redemption reserve		-	-	-
Retained earnings		12,247	9,378	900
Total equity		<u><u>42,283</u></u>	<u><u>9,546</u></u>	<u><u>1,067</u></u>

These financial statements were approved by the board of directors on 31/8/17 and were signed on its behalf by:


L Miller
Director

Company registered number: 08473608

Consolidated statement of changes in equity

	Share capital £000	Share premium £000	Capital contribution reserve £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
Balance at 1 December 2014	14	153	-	-	900	1,067
Total comprehensive income for the year						
Profit or loss	-	-	-	-	7,993	7,993
Other comprehensive income	-	-	-	-	79	79
Total comprehensive income for the year	-	-	-	-	8,072	8,072
Transactions with owners, recorded directly in equity						
Issue of shares	1	-	-	-	-	1
Equity-settled share based payment transactions	-	-	-	-	406	406
Total transactions with owners	1	-	-	-	406	407
Balance at 30 November 2015	15	153	-	-	9,378	9,546
Balance at 1 December 2015	15	153	-	-	9,378	9,546
Total comprehensive income for the year						
Profit or loss	-	-	-	-	(1,005)	(1,005)
Other comprehensive income	-	-	-	-	1,057	1,057
Total comprehensive income for the year	-	-	-	-	52	52
Transactions with owners, recorded directly in equity						
Waiver of amounts owed to parent undertakings	-	-	29,868	-	-	29,868
Equity-settled share based payment transactions	-	-	-	-	2,817	2,817
Total transactions with owners	-	-	29,868	-	2,817	32,685
Balance at 30 November 2016	15	153	29,868	-	12,247	42,283

Consolidated cash flow statement
for year ended 30 November 2016

	<i>Note</i>	2016 £000	2015 £000
Cash flows from operating activities			
(Loss)/profit for the year		(1,005)	7,993
Adjustments for:			
Depreciation, amortisation and impairment	8,9	1,118	597
Financial income	6	(194)	(37)
Financial expense	6	5,500	3,360
Foreign exchange loss		304	-
Equity settled share-based payment expenses	4	2,817	406
Taxation	7	1,385	2,822
		9,925	15,141
Increase in trade and other receivables		(10,680)	(1,368)
Increase in trade and other payables		5,297	1,966
Increase in provisions		438	-
		4,980	15,739
Tax paid		(3,685)	(1,386)
Net cash from operating activities		1,295	14,353
Cash flows from investing activities			
Interest received		194	-
Acquisition of property, plant and equipment	8	(3,465)	(590)
Acquisition of other intangible assets	9	(165)	(34)
Net cash from investing activities		(3,436)	(624)
Cash flows from financing activities			
Proceeds from the issue of share capital	19	-	1
Proceeds from new loan	14	-	18,757
Proceeds from loan from parent undertaking subsequently waived		29,868	-
Interest paid		(3,721)	(385)
Repayment of borrowings		(35,732)	(22,325)
Net cash from financing activities		(9,585)	(3,952)
Net (decrease)/increase in cash and cash equivalents		(11,726)	9,777
Cash and cash equivalents at 1 December		12,149	2,394
Effect of exchange rate fluctuations on cash held		979	(22)
Cash and cash equivalents at 30 November	13	1,402	12,149

Notes

(forming part of the financial statements)

1 Accounting policies

Frank Recruitment Group Limited (the “Company”) is a company incorporated and domiciled in the UK.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The parent company financial statements present information about the Company as a separate entity and not about its group.

The group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”). The Company has elected to prepare its parent company financial statements in accordance with FRS 101; these are presented on pages 40 to 47.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these group financial statements and in preparing an opening IFRS balance sheet at 30 November 2014 for the purposes of the transition to Adopted IFRSs.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 24.

1.1 Transition to adopted IFRSs

The Group is preparing its financial statements in accordance with adopted IFRS for the first time and consequently has applied IFRS 1. An explanation of how the transition to Adopted IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in note 25. The transition to IFRS has not had a material impact on the balance sheet as at 1 December 2014. Accordingly the financial statements notes as at 1 December 2014 have not been included.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 December 2014 have not been restated.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis except that financial instruments classified as fair value through the profit or loss stated at their fair value.

1.3 Going concern

At the year end the group had net current assets of £14,712k including cash at bank of £1,402k. The group manages its day to day working capital requirements through its available cash resources, cash flow from operating activities and external financing.

Having regard for the group’s forecast and projections, taking account of reasonably possible changes in trading performance the directors believe that the group is well placed to manage its business risks successfully and expect to have a sufficient level of financial resources available.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

1.4 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Notes (continued)

1 Accounting policies (continued)

1.4 Basis of consolidation (continued)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the FCTR, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to profit or loss.

1.6 Classification of financial instruments issued by the Group

Following the adoption of IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes (continued)

1 Accounting policies (continued)

1.7 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- fixtures and fittings 33% straight line
- leasehold property 33% straight line
- computer equipment 33% straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.9 Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Notes (continued)

1 Accounting policies (continued)

1.9 Intangible assets and goodwill (continued)

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Concessions, patents, licences and trademarks	5 years
Software	3 years

1.10 Business combinations

Acquisitions prior to 1 December 2014 (date of transition to IFRSs)

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The Group and Company elected not to restate business combinations that took place prior to 1 December 2014. In respect of acquisitions prior to 1 December 2014, goodwill is included at 1 December 2014 on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only separable intangibles were recognised and goodwill was amortised. On transition, amortisation of goodwill ceased as required by IFRS 1.

1.11 Impairment excluding deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes (continued)

1 Accounting policies (continued)

1.11 Impairment excluding deferred tax assets (continued)

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.12 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the years during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.13 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Notes (continued)

1 Accounting policies (continued)

1.14 Turnover

Turnover represents amounts receivable for services, net of VAT. Turnover from contract assignments is recognised when services are performed, based on hours worked by the consultants placed. Turnover from permanent placement is recognised when candidates commence employment. Provisions are made for possible cancellations of placements where credit notes will be due.

Accrued income is recognised on contract assignments to reflect the timing difference between timesheet submission and invoicing.

Deferred income is recognised on permanent placements where invoicing occurs prior to the candidate commencing employment.

1.15 Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.16 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

1.17 Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 9 Financial Instruments.
- IFRS 15 Revenue from Contract with Customers (effective date to be confirmed).

The Group is in the process of assessing the impact on the financial statements from the adoption of these new and revised standards.

2 Revenue

	2016 £000	2015 £000
Rendering of services	126,492	94,983
Total revenues	126,492	94,983

By geographical market:

	2016 £000	2015 £000
Europe	65,340	50,990
Asia-Pacific	5,700	4,633
North America	55,452	39,360
	126,492	94,983

3 Expenses and auditors' remuneration

Included in profit/loss are the following:

	2016 £000	2015 £000
Amortisation of intangible assets	42	5
Depreciation of tangible assets	1,076	592

Auditor's remuneration:

	2016 £000	2015 £000
Audit of these financial statements and other group companies	46	36

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Directors	5	5
Consultants	651	417
Support staff	159	83
	<u>815</u>	<u>505</u>

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	34,148	22,375
Share based payments (see note 19)	2,817	406
Social security costs	3,511	2,330
Contributions to defined contribution plans	119	38
	<u>40,595</u>	<u>25,149</u>

5 Remuneration of directors

	2016 £000	2015 £000
Directors' remuneration	615	530
Amounts receivable under long term incentive schemes	2,817	79
Compensation for loss of office	132	-
	<u>3,564</u>	<u>609</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £1,412,364 (2015: £250,000). Remuneration includes amounts linked to the sale of the Group to Finders Bidco Limited.

6 Finance income and expense

Recognised in profit or loss

	2016 £000	2015 £000
<i>Finance income</i>		
Interest received	194	-
Net gain on financial instruments designated as fair value through profit or loss	-	37
	<u>194</u>	<u>37</u>
Total finance income		
	<u>194</u>	<u>37</u>
<i>Finance expense</i>		
Net loss on financial instruments designated as fair value through profit or loss	87	-
Total interest expense on financial liabilities measured at amortised cost	1,936	3,360
Net foreign exchange loss	3,477	-
	<u>5,500</u>	<u>3,360</u>
Total finance expense		
	<u>5,500</u>	<u>3,360</u>

Notes (continued)

7 Taxation

Recognised in the income statement

	2016 £000	2015 £000
<i>Current tax expense</i>		
Current year	1,138	2,983
Adjustments for prior years	(55)	(59)
Current tax expense	1,083	2,924
<i>Deferred tax expense (see note 11)</i>		
Origination and reversal of temporary differences	313	(100)
Adjustments for prior years	(11)	(2)
Deferred tax expense	302	(102)
Total tax expense recognised in the income statement	1,385	2,822

Reconciliation of effective tax rate

	2016 £000	2015 £000
(Loss)/profit for the year	(1,005)	7,993
Total tax expense	1,385	2,822
Profit excluding taxation	380	10,815
Tax using the UK corporation tax rate of 20% (2015: 20.33%)	76	2,199
Effect of tax rates in foreign jurisdictions	279	472
Reduction in tax rate on deferred tax balances	(7)	-
Non-deductible (income)/expenses	1,103	212
Adjustment in respect of prior periods	(66)	(61)
Total tax expense	1,385	2,822

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015 and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Notes (continued)

8 Property, plant and equipment

	Leasehold property £000	Plant and equipment £000	Fixture and fittings £000	Total £000
Cost				
Balance at 1 December 2014	536	536	253	1,325
Additions	51	415	124	590
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 November 2015	587	951	377	1,915
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 December 2015	587	951	377	1,915
Additions	1,608	1,080	777	3,465
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 November 2016	2,195	2,031	1,154	5,380
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
Balance at 1 December 2014	154	180	128	462
Depreciation charge for the year	172	313	107	592
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 November 2015	326	493	235	1,054
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 December 2015	326	493	235	1,054
Depreciation charge for the year	467	543	66	1,076
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 November 2016	793	1,036	301	2,130
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 1 December 2014	382	356	125	863
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2015 and 1 December 2015	261	458	142	861
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2016	1,402	995	853	3,250
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

9 Intangible assets

	Goodwill £000	Patents and trade-marks £000	Software £000	Total £000
Cost				
Balance at 1 December 2014	24,566	337	-	24,903
Additions	-	34	-	34
Balance at 30 November 2015	24,566	371	-	24,937
Balance at 1 December 2015	24,566	371	-	24,937
Additions	-	-	165	165
Balance at 30 November 2016	24,566	371	165	25,102
Amortisation and impairment				
Balance at 1 December 2014	-	337	-	337
Amortisation for the year	-	5	-	5
Balance at 30 November 2015	-	342	-	342
Balance at 1 December 2015	-	342	-	342
Amortisation for the year	-	29	13	42
Balance at 30 November 2016	-	371	13	384
Net book value				
At 1 December 2014	24,566	-	-	24,566
At 30 November 2015 and 1 December 2015	24,566	29	-	24,595
At 30 November 2016	24,566	-	152	24,718

Amortisation and impairment charge

The amortisation and impairment charge is recognised in the following line items in the income statement:

	2016 £000	2015 £000
Administrative expenses	42	5

Notes (continued)

9 Intangible assets (continued)

Impairment loss and subsequent reversal

Goodwill and indefinite life intangible assets considered significant in comparison to the Group's total carrying amount of such assets have been allocated to cash generating units or groups of cash generating units as follows:

	Goodwill 2016 £000	Goodwill 2015 £000
EMEA Division	11,594	11,594
Americas Division	12,598	12,598
APAC Division	374	374

The recoverable amount of the above CGU's has been calculated with reference to its value in use. The key assumptions of this calculation are shown below:

	2016	2015
Year on which management approved forecasts are based	1 year	3 years
Growth rate applied beyond approved forecast year for years 2-4	45%	-
Growth rate applied beyond approved forecast year for year 5	20%	-
Terminal growth rate used	3%	-
Discount rate	10%	10%

The growth rates used in the value in use calculation as at 30 November 2016, for years 2-4 reflect the average growth rate experienced by the Group in net fee income over 3 years.

The discount rate is based on management's assessment of the Group's weighted average cost of capital.

10 Investments in subsidiaries

The Group and Company have the following investments in subsidiaries:

Name	Country of incorporation	Principal activity	Class and percentage of shares held
Company			
Frank Recruitment Group Services Limited	England	Holding company	100% ordinary
Group			
Frank Recruitment Group Services Limited	England	Holding company	100% ordinary
Frank Recruitment Group Services (USA) Limited	England	Holding company	100% ordinary
Frank Recruitment Group GmbH	Germany	Recruitment	100% ordinary
Nigel Frank International Limited	England	Recruitment	100% ordinary
Frank Recruitment Group Incorporated	USA	Recruitment	100% ordinary
Frank Recruitment Group Private Limited	Singapore	Recruitment	100% ordinary
Mason Frank International Limited	England	Recruitment	100% ordinary
Frank Recruitment Group PTY Limited	Australia	Recruitment	100% ordinary

Notes (continued)

11 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Net Assets	Net Liabilities	Net Assets	Net Liabilities
	2016	2016	2015	2015
	£000	£000	£000	£000
Property, plant and equipment	-	458	-	125
Other short term timing differences	(25)	(249)	(155)	(88)
Net tax (assets) / liabilities	(25)	209	(155)	37

Movement in deferred tax during the year

	1 December 2015	Recognised in income	30 November 2016
	£000	£000	£000
Property, plant and equipment	125	333	458
Other short term timing differences	(243)	(31)	(274)
	(118)	302	184

12 Trade and other receivables

	2016	2015
	£000	£000
Trade receivables	19,117	11,881
Amounts due from other group undertakings	1,025	-
Other trade receivables	646	253
Deferred tax	25	155
Prepayments and accrued income	5,732	3,706
Non-current	-	-
Current	26,545	15,995

13 Cash and cash equivalents/ bank overdrafts

	2016	2015
	£000	£000
Cash and cash equivalents per balance sheet	1,402	12,149
Cash and cash equivalents per cash flow statement	1,402	12,149

Notes (continued)

14 Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 20.

	2016 £000	2015 £000
Non-current liabilities		
Loan balances	-	31,806
	-	31,806
Current liabilities		
Bank loans	-	800
Loan notes	-	1,347
	-	2,147

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2016 £000	Carrying amount 2016 £000	Face value 2015 £000	Carrying amount 2015 £000
Bank loans	GBP	4% above base rate	Nov 2022	-	-	28,160	26,949
Loan stock	GBP	10%	Jun 2020	-	-	7,004	7,004
				-	-	35,164	33,953

On 27 April 2016 the Group's outstanding bank loans and loan stock were repaid in full as part of the purchase of the Group by Finders Bido Limited.

15 Trade and other payables

	2016 £000	2015 £000
Trade payables	2,421	1,380
Non-trade payables and accrued expenses	10,401	6,291
Taxation and social security	1,786	1,610
	14,608	9,281

Notes (continued)

16 Other financial liabilities

	2016 £000	2015 £000
Current		
Financial liabilities designated as fair value through profit or loss	-	30

17 Employee benefits

Defined contribution plans

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £119,000 (2015: £38,000).

18 Provisions

	Total £000
Balance at 1 December 2015	-
Provisions made during the year	438
Balance at 30 November 2016	438
Non-current	188
Current	250
	438

The above relates to an onerous lease provision, this is expected to unwind in November 2018.

Notes (continued)

19 Capital and reserves

Share capital

In thousands of shares	Ordinary shares 2016	Ordinary shares 2015
On issue at 1 December	20,414	19,792
Issued for cash	337	622
	<hr/>	<hr/>
On issue at 30 November – fully paid	20,751	20,414
	<hr/>	<hr/>
	2015	2014
	£	£
<i>Allotted, called up and 'A' fully paid</i>		
7,000,000 'A' ordinary shares of £0.0005 each	3,500	3,500
8,279,928 'B' ordinary shares of £0.0005 each	4,140	4,140
3,599,950 'C' ordinary shares of £0.001 each	3,600	3,263
400,000 'D' ordinary shares of £0.002 each	800	800
630,063 'E' ordinary shares of £0.002 each	1,260	1,260
90,009 'F' ordinary shares of £0.01 each	900	900
37 'G' ordinary shares of £0.001 each	-	-
200,000 'H' ordinary shares of £0.001 each	200	200
200,000 'I' ordinary shares of £0.0001 each	200	200
350,000 'J' ordinary shares of £0.001 each	350	350
1,000 'K' ordinary shares of £0.001 each	1	1
	<hr/>	<hr/>
	14,951	14,614
	<hr/>	<hr/>

During the year the Company issued 336,950 'C' ordinary shares with an aggregate nominal value of £337 for a consideration of £337.

During the year the Company cancelled 5 'G' ordinary shares with an aggregate nominal value of £5.

The above share issues were granted to employees under the Group's Employee Share Scheme. The recognition and measurement principles of IFRS 2 have been applied to these transactions. A fair value charge of £2,817,000 has been recognised in respect of the share issues, which is included within staff costs and credited to the share premium account.

Voting rights

'G' ordinary shares have no voting or dividend rights. 'D', 'E' and 'F' ordinary shares each carry a 5% class vote. Other shares in the company carry the balance of voting rights split equally.

20 Financial instruments

The Group's principal financial instruments comprise short-term receivables and payables, bank loans and cash. The Group does not trade in financial instruments but uses derivative financial instruments in the form of forward foreign currency contracts and interest rate swaps.

Notes (continued)

20 Financial instruments (continued)

20 (a) Fair values of financial instruments

Fair values

The following hierarchy classifies each class of financial asset or liability depending based on the valuation technique used to determine fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The only financial assets or liability which is recognised at fair value at 30 November 2016 was in respect of the interest rate swaps. The fair value of this derivative is level 2 and is based on broker quotes.

20 (b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The Group's risk is influenced by the nature of its customers. New customers are analysed for credit worthiness before the Group's standard payment terms and conditions are affected and appropriate credit limits set.

The carrying amount of trade receivables represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £19,117 (2015: £11,881). The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amounts owing is possible; at that point the amounts considered to be irrecoverable are written off against the trade receivable directly. Further information on credit risk is provided below.

The concentration of credit risk for trade receivables at the balance sheet date by geographic region was:

	2016 £000	2015 £000
Europe	10,485	7,062
Asia – Pacific	574	662
North America	8,058	4,157
	<u>19,117</u>	<u>11,881</u>

Notes (continued)

20 Financial instruments (continued)

20 (b) Credit risk (continued)

The concentration of credit risk for trade receivables at the balance sheet date by type of counterparty was:

	2016 £000	2015 £000
Europe	10,485	7,062
Asia-Pacific	574	662
North America	8,058	4,157
	<u>19,117</u>	<u>11,881</u>

Credit quality of financial assets and impairment losses

The aging of trade receivables at the balance sheet date was:

	Gross 2016 £000	Impairment 2016 £000	Gross 2015 £000	Impairment 2015 £000
Not past due	17,357	-	10,380	-
Past due 0-30 days	885	-	650	-
Past due 31-120 days	525	(38)	466	(30)
More than 120 days	350	(350)	385	(385)
	<u>19,117</u>	<u>(388)</u>	<u>11,881</u>	<u>(415)</u>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2016 £000	2015 £000
Balance at 1 December	(415)	(670)
Impairment loss reversed	27	255
	<u>(388)</u>	<u>(415)</u>

20 (c) Liquidity risk

Financial risk management liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages its liquidity by monitoring existing facilities and cash flows against forecast requirements based on a rolling cash forecast.

Notes (continued)

20 Financial instruments (continued)

20 (c) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

		2016				
	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5years and over £000
Non-derivative financial liabilities						
Trade and other payables	2,421	2,421	2,421	-	-	-
		2015				
	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5years and over £000
Non-derivative financial liabilities						
Secured bank loans	26,949	31,816	1,870	2,083	5,446	22,417
Loan stock	7,004	11,409	-	-	11,409	-
Trade and other payables	1,380	1,380	1,380	-	-	-
Derivative financial liabilities						
Interest rate swaps used for hedging	30	30	30	-	-	-
	35,363	44,635	3,280	2,083	16,855	22,417

20 (e) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The Group's policy includes the use of forward foreign currency contracts to reduce any significant exposure to such risks as considered appropriate.

Notes (continued)

20 Financial instruments (continued)

Market risk - Foreign currency risk

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments except derivatives when it is based on notional amounts:

30 November 2016

	Sterling £000	Euro £000	US Dollar £000	Other £000	Total £000
Cash and cash equivalents	2,304	262	(1,603)	439	1,402
Trade receivables	7,012	2,639	8,366	1,100	19,117
Trade payables	(1,747)	(52)	(570)	(52)	(2,421)
Balance sheet exposure	7,569	2,849	6,193	1,487	18,098

30 November 2015

	Sterling £000	Euro £000	US Dollar £000	Other £000	Total £000
Cash and cash equivalents	9,476	446	1,630	597	12,149
Trade receivables	6,328	622	3,944	987	11,881
Trade payables	(1,006)	(3)	(360)	(11)	(1,380)
Balance sheet exposure	(14,798)	1,065	5,214	1,573	(22,650)

Sensitivity analysis

A 20% weakening of the following currencies against the pound sterling at 30 November would have increased/ (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for 30 November 2015.

	2016 £000	Equity 2015 £000	2016 £000	Profit or loss 2015 £000
€	(64)	-	(568)	(124)
\$	1,384	692	(534)	(717)

A 20% strengthening of the above currencies against the pound sterling at 30 November would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – Interest rate risk

Profile

At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments was:

	2016 £000	2015 £000
Variable rate instruments		
Financial liabilities	-	28,160

Notes (continued)

20 Financial instruments (continued)

20 (e) Market risk (continued)

Sensitivity analysis

A change of 40 basis points in interest rates at the balance sheet date would have increased (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps. The analysis is performed on the same basis for 30 November 2015.

20 (f) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, whilst maximising the return to shareholders. The capital structure of the Group consists of debt, cash and equity attributable to equity holders of the parent, comprising capital, reserves and retained earnings.

21 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016 £000	2015 £000
Less than one year	2,975	298
Between one and five years	6,426	589
More than five years	54	-
	<u>9,455</u>	<u>887</u>

During the year £2,101,000 was recognised as an expense in the income statement in respect of operating leases (2015: £2,030,000).

The Group leases a number of offices under operating leases.

22 Related parties

Identity of related parties with which the Group has transacted

Livingbridge EP LLP is the Manager of the Livingbridge 5 LP and Livingbridge 5 Co-Invest LP which held 35% equity in Frank Recruitment Group Limited. The share capital held by Livingbridge 5 LP and Livingbridge 5 Co-Invest LP was sold to Finders Bidco Limited on 27 April 2016.

The group and company owed £3,258,020 at 30 November 2015 in respect of loan stock held through the nominee FIS Nominee Limited, £3,194,228 as nominee for Livingbridge 5 LP and £63,792 as nominee for Livingbridge 5 Co-Invest LP. Interest of £67,743 (2015: £1,320,278) arose on these loan notes prior to repayment on 27 April 2016.

Notes (continued)

22 Related parties (continued)

Transactions with key management personnel

Key management personnel are considered to be anyone at the board level for example CEO, CFO, COO, CMO and CCO.

Directors of the Company and their immediate relatives control 10.07 per cent of the voting shares of the ultimate parent company.

The compensation of key management personnel (including the directors) is as follows:

	2016 £000	2015 £000
Key management remuneration including social security costs	969	1,027
Company contributions to money purchase pension schemes	1	-
Compensation for loss of office	132	-
	<u>1,102</u>	<u>1,027</u>

23 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Finders Topco Limited, which is the ultimate parent company incorporated in Jersey, UK. The ultimate controlling party is Finders Topco Limited.

The largest group in which the results of the Company are consolidated is that headed by Finders Topco Limited. The consolidated financial statements of this group is available to the public and may be obtained from 3rd Floor, 37 Espandale, St Helier, Jersey, JE2 3QA.

24 Accounting estimates and judgements

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The key areas requiring the use of estimates and judgements which may significantly affect the financial statements are considered to be:

Revenue recognition

As detailed in note 1 revenue in respect of permanent placements is recognised when the candidate commences employment, with provision being made for possible cancellations of placements which would result in a rebate being provided to the customer. This provision includes an element of estimation in respect of determining the likely level of provision required based on historic trends and actual experience subsequent to the year end. In respect of contract revenue an estimation is made at the year end in respect of unbilled contract revenue based on timesheets received subsequent to the year end in respect of the year and any known outstanding timesheets.

Recoverability of trade debtors

An assessment as to the ability of the Company to recover trade debtors is made at each financial period end. A provision is made for any amounts that are not considered to be recoverable. Due to the nature of this provision an estimate is made as to the amounts that will be recoverable which involves judgement based on knowledge of the customer and the level of uncertainty as to whether the customer has sufficient funds to pay these amounts.

Notes (continued)

25 Explanation of transition to Adopted IFRSs

As stated in note 1, these are the Group's first consolidated financial statements prepared in accordance with Adopted IFRSs.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 November 2016, the comparative information presented in these financial statements for the year ended 30 November 2015 and in the preparation of an opening IFRS balance sheet at 1 December 2014 (the Group's date of transition).

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to Adopted IFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Restatement of Equity Balances

In reviewing the treatment of share based payment transactions in the current year it was identified that share based payment charges in the prior year had been incorrectly treated within reserves. The transaction was credited to the share premium reserve rather than the profit and loss reserve. An adjustment has therefore been made to reduce the share premium balance as at 30 November 2015 by £406,000 and to increase the profit and loss reserve by the same amount. This had no impact on the consolidated income statement, cashflow statement or net assets of the group.

Notes (continued)

25 Explanation of transition to Adopted IFRSs (continued)

Reconciliation of equity

		1 December 2014			30 November 2015		
			Effect of transition to Adopted IFRSs	Adopted IFRSs	Effect of transition to Adopted IFRSs	Adopted IFRSs	
Note	UK GAAP £000	£000	£000	UK GAAP £000	Adopted IFRSs £000	Adopted IFRSs £000	
Non-current assets							
Property, plant and equipment	863	-	863	861	-	861	
Intangible assets	24,566	-	24,566	23,259	1,336	24,595	
	<u>25,429</u>	<u>-</u>	<u>25,429</u>	<u>24,120</u>	<u>1,336</u>	<u>25,456</u>	
Current assets							
Tax receivable	1,678	-	1,678	258	-	258	
Trade and other receivables	14,430	-	14,430	15,995	-	15,995	
Cash and cash equivalents	2,405	-	2,405	12,149	-	12,149	
	<u>18,513</u>	<u>-</u>	<u>18,513</u>	<u>28,402</u>	<u>-</u>	<u>28,402</u>	
Total assets	<u>43,942</u>	<u>-</u>	<u>43,942</u>	<u>52,522</u>	<u>1,336</u>	<u>53,858</u>	
Current liabilities							
Other interest-bearing loans and borrowings	(800)	-	(800)	(2,147)	-	(2,147)	
Trade and other payables	(7,326)	-	(7,326)	(9,241)	(40)	(9,281)	
Tax payable	(893)	-	(893)	(1,011)	-	(1,011)	
Other financial liabilities	-	(67)	(67)	-	(30)	(30)	
	<u>(9,019)</u>	<u>(67)</u>	<u>(9,086)</u>	<u>(12,399)</u>	<u>(70)</u>	<u>(12,469)</u>	
Non-current liabilities							
Other interest-bearing loans and borrowings	(33,746)	-	(33,746)	(31,806)	-	(31,806)	
Deferred tax liabilities	(43)	-	(43)	(37)	-	(37)	
	<u>(33,789)</u>	<u>-</u>	<u>(33,789)</u>	<u>(31,843)</u>	<u>-</u>	<u>(31,843)</u>	
Total liabilities	<u>(42,808)</u>	<u>(67)</u>	<u>(42,875)</u>	<u>(44,242)</u>	<u>(70)</u>	<u>(44,312)</u>	
Net assets	<u>1,134</u>	<u>(67)</u>	<u>1,067</u>	<u>8,280</u>	<u>1,266</u>	<u>9,546</u>	

Notes (continued)

25 Explanation of transition to Adopted IFRSs (continued)

	Note	1 December 2014			30 November 2015			
		UK GAAP £000	Effect of transition to Adopted IFRSs £000	Adopted IFRSs £000	UK GAAP £000	Effect of transition to Adopted IFRSs £000	Other adjustmen t £000	Adopted IFRSs £000
Equity attributable to equity holders of the parent								
Share capital		14	-	14	15	-		15
Share premium		153	-	153	559	-	(406)	153
Capital redemption reserve		-	-	-	-	-		-
Retained earnings	a, b	967	(67)	900	7,706	1,266	406	9,378
Total equity		<u>1,134</u>	<u>(67)</u>	<u>1,067</u>	<u>8,280</u>	<u>1,266</u>	<u>-</u>	<u>9,546</u>

Notes to the reconciliation of equity

- a) Recognition of interest rate swaps
- b) Adjustment for rent free periods included in operating leases
- c) Under UK GAAP, the Group amortised the cost of goodwill arising on acquisition which occurred prior to the transition date to IFRS over its useful life. Under IFRS 3, goodwill on acquisition is no longer amortised, but is held at its carrying value at the transition date.

Reconciliation of profit for 30 November 2015

	Note	UK GAAP £000	Effect of transition to Adopted IFRSs £000	Adopted IFRSs £000
Revenue		94,983	-	94,983
Cost of sales		(48,984)	-	(48,984)
Gross profit		<u>45,999</u>	<u>-</u>	<u>45,999</u>
Administrative expenses	b, c	(33,157)	1,296	(31,861)
Operating profit		<u>12,842</u>	<u>1,296</u>	<u>14,138</u>
Financial expenses	a	-	37	37
Profit before tax		<u>9,482</u>	<u>1,333</u>	<u>10,815</u>
Taxation		(2,822)	-	(2,822)
Profit for the year		<u>6,660</u>	<u>1,333</u>	<u>7,993</u>

Notes *(continued)*

25 Explanation of transition to Adopted IFRSs *(continued)*

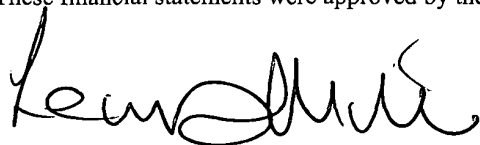
Notes to the reconciliation of profit

- a) Recognition of interest rate swaps
- b) Adjustment for rent free periods included in operating leases resulting in an increase to administrative expenses of £40,000.
- c) Under UK GAAP, the Group amortised the cost of goodwill arising on acquisition which occurred prior to the transition date to IFRS over its useful life. Under IFRS 3, goodwill on acquisition is no longer amortised, but is held at its carrying value at the transition date. This resulted in a reduction to administrative expenses of £1,336,000.

Company balance sheet
at 30 November 2016

	Note	2016 £000	2015 £000	2015 £000
Fixed assets				
Investments	27		33,090	33,090
Current assets				
Debtors	28	7,946	6,555	
Cash at bank and in hand		103	4,995	
		<u>8,049</u>	<u>11,550</u>	
Creditors: amounts falling due within one year	29	<u>(3,184)</u>	<u>(7,516)</u>	
Net current assets			<u>4,865</u>	<u>4,034</u>
Total assets less current liabilities			<u>37,955</u>	<u>37,124</u>
Creditors: amounts falling due after one year	30		-	(31,806)
Net assets			<u>37,955</u>	<u>5,318</u>
Capital and reserves				
Called up share capital			15	15
Share premium account			153	153
Capital contribution reserve			29,868	-
Capital redemption reserve			-	-
Brought forward profit and loss account		5,150	(4,500)	
(Loss)/profit for the period		(48)	9,244	
Other movements in retained earnings		2,817	406	
		<u></u>	<u></u>	
Shareholders' funds			<u>7,919</u>	<u>5,150</u>
			<u>37,955</u>	<u>5,318</u>

These financial statements were approved by the board of directors on 31/8/17 and were signed on its behalf by:



L. Miller
Director

Company registered number: 8473608

Company statement of changes in equity

	Called up share capital £000	Share premium account £000	Capital contribution reserve £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 December 2014	14	153	-	-	(4,500)	(4,333)
Total comprehensive income for the year						
Profit or loss	-	-	-	-	9,244	9,244
Other comprehensive income	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-	-	9,244	9,244
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity						
Issue of shares	1	-	-	-	-	1
Equity – settled share based payment transactions	-	-	-	-	406	406
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	1	-	-	-	406	407
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 November 2015	15	153	-	-	5,150	5,318
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 December 2015	15	153	-	-	5,150	5,318
Total comprehensive income for the year						
Profit or loss	-	-	-	-	(48)	(48)
Other comprehensive income	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-	-	(48)	(48)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity						
Waiver of amounts owed by parent undertaking	-	-	29,868	-	-	29,868
Equity – settled share based payment transactions	-	-	-	-	2,817	2,817
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	-	29,868	-	2,817	32,685
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 November 2016	15	153	29,868	-	7,919	37,955
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

26 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Under section s408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 did not affect the previously reported financial position, financial performance or cash flows of the Company.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative year reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Restatement of Equity Balances

In reviewing the treatment of share based payment transactions in the current year it was identified that share based payment charges in the prior year had been incorrectly treated within reserves. The transaction was credited to the share premium reserve rather than the profit and loss reserve. An adjustment has therefore been made to reduce the share premium balance as at 30 November 2015 by £406,000 and to increase the profit and loss reserve by the same amount. This had no impact on the net assets of the company.

Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

26 Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (continued)

26 Accounting policies (continued)

Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Investments in subsidiaries are carried at cost less impairment.

Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

27 Fixed asset investments

	Shares in group undertakings £000	Total £000
Cost		
At beginning and end of year	33,090	33,090
	<hr/>	<hr/>
Provisions		
At beginning and end of year	-	-
	<hr/>	<hr/>
Net book value		
At 30 November 2016 and 30 November 2015	33,090	33,090
	<hr/>	<hr/>

28 Debtors

	2016 £	2015 £
Other debtors	-	35
Amounts owed by group undertakings	7,946	6,520
	<hr/>	<hr/>
	7,946	6,555
	<hr/>	<hr/>

29 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans (see note 31)	-	800
Loan notes (see note 31)	-	1,347
Trade creditors	-	44
Amounts owed to group undertakings	2,678	4,926
Accruals and deferred income	441	43
Corporation tax payable	65	356
	<hr/>	<hr/>
	3,184	7,516
	<hr/>	<hr/>

30 Creditors: amounts falling due after one year

	2016 £000	2015 £000
Loan balances (see note 31)	-	31,806
	<hr/>	<hr/>

Notes (continued)

31 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

Terms and debt repayment schedule

	Currency	Nominal Interest rate 2016	Year of maturity	Face value 2016 £000	Carrying amount value £000	Face value 2015 £000	Carrying value 2015 £000
Bank loans	GBP	4% above base rate	November 2022	-	-	28,160	28,160
Loan stock	GBP	10%	June 2020	-	-	4,691	5,793
				-	-	32,851	33,953

On 27 April 2016 the Company's outstanding bank loans and loan stock were repaid in full as part of the purchase of the Group by Finders Bidco Limited.

32 Called up share capital

Share capital

In thousands of shares	Ordinary shares 2016	Ordinary shares 2015
On issue at 1 December	20,414	19,792
Issued for cash	337	622
On issue at 30 November – fully paid	20,751	20,414
	2016 £	2015 £
<i>Allotted, called up and 'A' fully paid</i>		
7,000,000 'A' ordinary shares of £0.0005 each	3,500	3,500
8,279,928 'B' ordinary shares of £0.0005 each	4,140	4,140
3,599,950 'C' ordinary shares of £0.001 each	3,600	3,263
400,000 'D' ordinary shares of £0.002 each	800	800
630,063 'E' ordinary shares of £0.002 each	1,260	1,260
90,009 'F' ordinary shares of £0.01 each	900	900
37 'G' ordinary shares of £0.001 each	-	-
200,000 'H' ordinary shares of £0.001 each	200	200
200,000 'I' ordinary shares of £0.0001 each	200	200
350,000 'J' ordinary shares of £0.001 each	350	350
1,000 'K' ordinary shares of £0.001 each	1	1
	14,951	14,614

During the year the Company issued 336,950 'C' ordinary shares with an aggregate nominal value of £337 for a consideration of £337.

During the year the Company cancelled 5 'G' ordinary shares with an aggregate nominal value of £5.

The above share issues were granted to employees under the Group's Employee Share Scheme. The recognition and measurement principles of IFRS 2 have been applied to these transactions. A fair value charge of £2,817,000 has been recognised in respect of the share issues, which is included within staff costs and credited to the share premium account.

Notes *(continued)*

Voting rights

'G' ordinary shares have no voting or dividend rights. 'D', 'E' and 'F' ordinary shares each carry a 5% class vote. Other shares in the company carry the balance of voting rights split equally.