

COMPANY REGISTRATION NUMBER: SC214658

**ABERDEEN APPOINTMENTS AGENCY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1ST APRIL 2015 TO**  
**31st DECEMBER 2015**



**BREBNERS**  
Chartered Accountants & Statutory Auditor  
130 Shaftesbury Avenue  
London  
W1D 5AR

# **ABERDEEN APPOINTMENTS AGENCY LIMITED**

## **FINANCIAL STATEMENTS**

**PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015**

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# **ABERDEEN APPOINTMENTS AGENCY LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

D Bruce  
J Innes  
P Norgate

**Registered office**

Union Plaza  
1 Union Wynd  
Aberdeen  
Aberdeenshire  
AB10 1DQ

**Auditor**

Brebners  
Chartered Accountants & statutory auditor  
130 Shaftesbury Avenue  
London  
W1D 5AR

**Bankers**

Royal Bank of Scotland  
40 Albyn Place  
Aberdeen  
AB10 1YN

# ABERDEEN APPOINTMENTS AGENCY LIMITED

## STRATEGIC REPORT

PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015

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### BUSINESS REVIEW

The company has had a difficult period. Turnover decreased on a pro rata basis by 40.7% on the previous period. There has been an ongoing decline in the market for permanent placements which reflects trends within the local recruitment market. The gross profit margin has fallen from 22.3% to 13.5%, reflecting the change in sales mix noted above as well as continuing pressure on prices imposed by some companies in the oil and gas sector.

Overheads have increased on a pro rata basis by 10.2%, reflecting certain one-off costs due to a reorganisation of the business to remain competitive in the current market.

### FINANCIAL KEY PERFORMANCE INDICATORS

Turnover, percentage change in turnover, and gross profit margin are the key measures of financial performance in the company, and are as follows:

	Dec 15	Mar 15
<b>(Pro-rata)</b>		
Turnover (£)	5,842,212	9,856,473
Change in turnover	(40.7%)	(10.4%)
Gross profit margin	13.5%	22.3%

### NON-FINANCIAL KEY PERFORMANCE INDICATORS

The company seeks to ensure that responsible business practice is fully integrated into the management of all of its operations and into the culture of all parts of its business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn ensures the delivery of its core objectives of sustained real growth in revenue and profitability.

The directors consider there to be numerous non-financial performance indicators, but no individual indicator is more important than any other.

### PRINCIPAL RISKS AND UNCERTAINTIES

#### Economic risk

The principal risk faced by the business continues to be the unpredictability of the recruitment sector, which is in direct correlation with the employment market. Due to the persistently low global oil price the local market remains challenging. Despite this, the company is well placed to meet these challenges with a strong management team, an excellent reputation and a new owner who will bring financial support to the company through this difficult period.

#### Competitor risk

Maintaining our position against competitors in our service market is achieved by the continual contact between our account managers and customers.

#### Liquidity risk

Liquidity and cash flow risks are monitored by senior management in terms of identifying cash flow requirements. These in turn are communicated to the group which operates a group cash pooling system to ensure the necessary liquidity is available throughout the group. Any excesses or local short falls are underwritten by group and managed via intercompany loans.

### FINANCIAL INSTRUMENTS

The company uses basic financial instruments, comprising of borrowings, cash and working capital balances such as trade debtors and trade creditors.

## **ABERDEEN APPOINTMENTS AGENCY LIMITED**

### **STRATEGIC REPORT** *(continued)*

#### **PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015**

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It is and has been throughout the period under review the company policy that no trading in financial instruments shall be undertaken.

The company had no hedging arrangements at 31st December 2015.

#### **FUTURE DEVELOPMENTS**

The principal activity of the company is expected to remain consistent for the foreseeable future as the company seeks to participate in the long-term growth prospects for the sector.

This report was approved by the board of directors on 31/08/2016 and signed on behalf of the board by:



P Norgate  
Director

# **ABERDEEN APPOINTMENTS AGENCY LIMITED**

## **DIRECTORS' REPORT**

### **PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015**

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The directors present their report and the financial statements of the company for the period ended 31st December 2015.

#### **DIRECTORS**

The directors who served the company during the period were as follows:

D Bruce	
J Innes	
P Norgate	(Appointed 1st December 2015)
A Porter	(Resigned 1st December 2015)

#### **PRINCIPAL ACTIVITY**

The company's principal activity is that of an employment agency.

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend.

#### **DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT**

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

# ABERDEEN APPOINTMENTS AGENCY LIMITED

## DIRECTORS' REPORT *(continued)*

PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015

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### AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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.

This report was approved by the board of directors on 31/08/2016 and signed on behalf of the board by:



P Norgate  
Director

**ABERDEEN APPOINTMENTS AGENCY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABERDEEN**  
**APPOINTMENTS AGENCY LIMITED**

**PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015**

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We have audited the financial statements of Aberdeen Appointments Agency Limited for the period ended 31st December 2015, on pages 8 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.



## ABERDEEN APPOINTMENTS AGENCY LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABERDEEN APPOINTMENTS AGENCY LIMITED *(continued)*

PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015

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#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Philip Heath (Senior Statutory Auditor)

For and on behalf of  
Brebners  
Chartered Accountants & statutory auditor  
130 Shaftesbury Avenue  
London  
W1D 5AR

15<sup>th</sup> September 2016

**ABERDEEN APPOINTMENTS AGENCY LIMITED**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015**

		Period from 1 Apr 15 to 31 Dec 15 £	Year to 31 Mar 15 £
<b>TURNOVER</b>	<b>Note 3</b>	<b>5,842,212</b>	<b>13,141,964</b>
Cost of sales		<u>(5,053,057)</u>	<u>(10,213,453)</u>
<b>GROSS PROFIT</b>		<b>789,155</b>	<b>2,928,511</b>
Administrative expenses		<u>(2,434,512)</u>	<u>(2,944,790)</u>
Other operating income	<b>4</b>	<u>58,017</u>	<u>82,160</u>
<b>OPERATING (LOSS)/PROFIT</b>	<b>5</b>	<b>(1,587,340)</b>	<b>65,881</b>
Other interest receivable and similar income		<u>18</u>	<u>63</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,587,322)</b>	<b>65,944</b>
Tax on (loss)/profit on ordinary activities	<b>9</b>	<u>231,171</u>	<u>(53,839)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AND TOTAL COMPREHENSIVE INCOME</b>		<b><u>(1,356,151)</u></b>	<b><u>12,105</u></b>
Dividends paid and payable	<b>10</b>	–	<u>(289,590)</u>
<b>RETAINED EARNINGS AT THE START OF THE PERIOD</b>		<b>4,819,356</b>	<b>5,096,841</b>
<b>RETAINED EARNINGS AT THE END OF THE PERIOD</b>		<b><u>3,463,205</u></b>	<b><u>4,819,356</u></b>

All the activities of the company are from continuing operations.

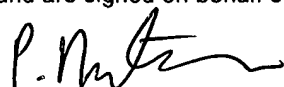
# ABERDEEN APPOINTMENTS AGENCY LIMITED

## STATEMENT OF FINANCIAL POSITION

31st DECEMBER 2015

	Note	31 Dec 15 £	£	31 Mar 15 £	£
<b>FIXED ASSETS</b>					
Tangible assets	11		240,222		328,706
Investments	12		—		1,750
			<u>240,222</u>		<u>330,456</u>
<b>CURRENT ASSETS</b>					
Debtors	13	5,938,237		6,772,420	
Cash at bank and in hand		<u>96,375</u>		<u>47,411</u>	
		6,034,612		6,819,831	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>2,707,859</u>		<u>2,177,797</u>	
<b>NET CURRENT ASSETS</b>			<u>3,326,753</u>		<u>4,642,034</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,566,975</u>		<u>4,972,490</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		66,270		85,169
<b>PROVISIONS</b>					
Taxation including deferred tax	18		—		30,465
<b>NET ASSETS</b>			<u>3,500,705</u>		<u>4,856,856</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		37,500		37,500
Profit and loss account	21		<u>3,463,205</u>		<u>4,819,356</u>
<b>SHAREHOLDERS FUNDS</b>			<u>3,500,705</u>		<u>4,856,856</u>

These financial statements were approved by the board of directors and authorised for issue on 31/08/2016 and are signed on behalf of the board by:



P Norgate  
Director

Company registration number: SC214658

The notes on pages 10 to 20 form part of these financial statements.

# **ABERDEEN APPOINTMENTS AGENCY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015**

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### **1. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

### **2. ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis in accordance with the accounting policies set out below.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The comparatives relate to the year from 1st April 2014 to 31st March 2015.

#### **Company information**

The company is incorporated in Scotland and limited by shares. Its registered office is situated at Union Plaza, 1 Union Wynd, Aberdeen, Aberdeenshire AB10 1DQ.

The principal activity of the company is that of a recruitment agency.

#### **Going concern**

The company has considerable financial resources, net assets and the continued support from its parent undertaking.

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, the directors continue to adopt the going concern basis in preparing the financial statements.

#### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1st April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 26.

#### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Sword Group SE, which can be obtained from [sword-group.com/investors](http://sword-group.com/investors). As such advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

#### **Consolidation**

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

# ABERDEEN APPOINTMENTS AGENCY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015

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### 2. ACCOUNTING POLICIES *(continued)*

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Key assumptions and other estimation uncertainty may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Judgements and estimates that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

#### ***Useful economic lives of tangible assets***

Tangible fixed assets are depreciated to their estimated residual values over their estimated useful lives. The company exercises judgement to determine these useful lives and residual values.

#### ***Impairment of trade debtors***

The company makes an estimate of the recoverable value of trade debtors. When assessing any potential impairment of trade debtors, management considers factors including the ageing profile of debtors and historical experience.

#### **Revenue recognition**

The revenue shown in the profit and loss account represents amounts receivable for temporary and permanent placements during the period, exclusive of Value Added Tax.

Revenue from temporary placements is recognised as the service is provided and represents amounts billed for the services of temporary staff, which includes the salary costs for these staff.

Revenue from permanent placements is based on a percentage of the candidate's remuneration package. It is company policy to defer revenue from permanent placements and recognise it rateably over the three month probation period following the candidate's start date.

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

# ABERDEEN APPOINTMENTS AGENCY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015

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### 2. ACCOUNTING POLICIES *(continued)*

#### Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account. Non-monetary items that are measured in terms of historic cost in a foreign currency are not retranslated.

#### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Property improvements	-	20% straight line
Fixtures and fittings	-	20% straight line
Motor vehicles	-	20% straight line

#### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

#### Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

# ABERDEEN APPOINTMENTS AGENCY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015

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#### 2. ACCOUNTING POLICIES *(continued)*

##### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

##### **Trade and other debtors**

Trade and other debtors are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

##### **Trade and other creditors**

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

##### **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 with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

##### **Related parties**

For the purposes of these financial statements, a party is considered to be related to the company if:

- (i) the party has the ability, directly or indirectly, through one of more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
- (ii) the company and the party are subject to common control;
- (iii) the party is an associate of the company or a joint venture in which the company is a venturer;
- (iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals;
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company; or
- (vii) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

# ABERDEEN APPOINTMENTS AGENCY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015

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### 2. ACCOUNTING POLICIES *(continued)*

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

### 3. TURNOVER

Turnover arises from:

	Period from 1 Apr 15 to 31 Dec 15 £	Year to 31 Mar 15 £
Rendering of services	<u>5,842,212</u>	<u>13,141,964</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 4. OTHER OPERATING INCOME

	Period from 1 Apr 15 to 31 Dec 15 £	Year to 31 Mar 15 £
Rental income	<u>58,017</u>	<u>82,160</u>



# **ABERDEEN APPOINTMENTS AGENCY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015**

### 5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	<b>Period from 1 Apr 15 to 31 Dec 15 £</b>	<b>Year to 31 Mar 15 £</b>
Depreciation of tangible assets	44,957	87,067
Total impairment losses recognised in:		
Administrative expenses	45,421	–
Gains on disposal of tangible assets	–	(11,003)
Loss on disposal of other investments	1,750	–
Foreign exchange differences	–	1,292
Defined contribution plans expense	39,622	186,534
Operating property lease charges	<u>129,549</u>	<u>208,449</u>

### 6. AUDITOR'S REMUNERATION

	<b>Period from 1 Apr 15 to 31 Dec 15 £</b>	<b>Year to 31 Mar 15 £</b>
Fees payable for the audit of the financial statements	<u>15,500</u>	<u>14,000</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation Compliance services	<u>2,000</u>	<u>–</u>

### 7. STAFF COSTS

The average number of persons employed by the company during the period, including the directors, amounted to:

	<b>31 Dec 15 No.</b>	<b>31 Mar 15 No.</b>
Administrative staff	<u>20</u>	<u>35</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	<b>Period from 1 Apr 15 to 31 Dec 15 £</b>	<b>Year to 31 Mar 15 £</b>
Wages and salaries	5,468,946	11,373,258
Social security costs	291,966	540,377
Other pension costs	39,622	186,534
	<u>5,800,534</u>	<u>12,100,169</u>

# ABERDEEN APPOINTMENTS AGENCY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015

### 8. DIRECTORS' REMUNERATION

The directors aggregate remuneration in respect of qualifying services was:

	Period from 1 Apr 15 to 31 Dec 15 £	Year to 31 Mar 15 £
Remuneration	150,000	184,446
Company contributions to defined contribution pension plans	–	82,331
	<u>150,000</u>	<u>266,777</u>

### 9. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

Major components of tax (income)/expense

	Period from 1 Apr 15 to 31 Dec 15 £	Year to 31 Mar 15 £
<b>Current tax:</b>		
UK current tax expense	–	59,733
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(231,171)	(5,894)
<b>Tax on (loss)/profit on ordinary activities</b>	<u>(231,171)</u>	<u>53,839</u>

Reconciliation of tax (income)/expense

The tax assessed on the loss on ordinary activities for the period is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20.25% (2015: 21%).

	Period from 1 Apr 15 to 31 Dec 15 £	Year to 31 Mar 15 £
(Loss)/profit on ordinary activities before taxation	(1,587,322)	65,944
(Loss)/profit on ordinary activities by rate of tax	(321,433)	13,848
Effect of expenses not deductible for tax purposes	22,500	50,401
Effect of capital allowances and depreciation	16,593	(1,525)
Unused tax losses	220,854	–
Tax losses carried back	61,486	–
Marginal relief	–	(2,991)
Deferred taxation	(231,171)	(5,894)
<b>Tax on (loss)/profit on ordinary activities</b>	<u>(231,171)</u>	<u>53,839</u>

Factors that may affect future tax income

The company has trading tax losses of £1.1m (2015: £Nil) to carry forward as at 31st December 2015.

# **ABERDEEN APPOINTMENTS AGENCY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015**

### 10. DIVIDENDS

	31 Dec 15 £	31 Mar 15 £
Dividends paid during the period (excluding those for which a liability existed at the end of the prior period )	<u>—</u>	<u>289,590</u>

### 11. TANGIBLE ASSETS

	Property improvements £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2015	216,427	192,258	86,233	<b>494,918</b>
Additions	<u>1,894</u>	<u>—</u>	<u>—</u>	<u><b>1,894</b></u>
<b>At 31 December 2015</b>	<u><b>218,321</b></u>	<u><b>192,258</b></u>	<u><b>86,233</b></u>	<u><b>496,812</b></u>
<b>Depreciation</b>				
At 1 April 2015	50,017	97,940	18,255	<b>166,212</b>
Charge for the period	15,969	13,239	15,749	<b>44,957</b>
Impairment losses	<u>23,701</u>	<u>21,720</u>	<u>—</u>	<u><b>45,421</b></u>
<b>At 31 December 2015</b>	<u><b>89,687</b></u>	<u><b>132,899</b></u>	<u><b>34,004</b></u>	<u><b>256,590</b></u>
<b>Carrying amount</b>				
<b>At 31 December 2015</b>	<u><b>128,634</b></u>	<u><b>59,359</b></u>	<u><b>52,229</b></u>	<u><b>240,222</b></u>
At 31 March 2015	<u>166,410</u>	<u>94,318</u>	<u>67,978</u>	<u>328,706</u>

#### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Fixtures and fittings £	Motor vehicles £	Total £
<b>At 31st December 2015</b>	<u><b>33,891</b></u>	<u><b>52,229</b></u>	<u><b>86,120</b></u>
At 31st March 2015	<u>44,155</u>	<u>67,979</u>	<u>112,134</u>

### 12. INVESTMENTS

	Total £
<b>Cost</b>	
At 1st April 2015	<b>1,750</b>
Disposals	<u><b>(1,750)</b></u>
<b>At 31st December 2015</b>	<u><b>—</b></u>
<b>Impairment</b>	
<b>At 1 Apr 2015 and 31 Dec 2015</b>	<u><b>—</b></u>
<b>Carrying amount</b>	
<b>At 31st December 2015</b>	<u><b>—</b></u>
At 31st March 2015	<u>1,750</u>

# **ABERDEEN APPOINTMENTS AGENCY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

### **PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015**

#### **12. INVESTMENTS *(continued)***

Investments brought forward related to shares in an unlisted investment.

#### **13. DEBTORS**

	31 Dec 15	31 Mar 15
	£	£
Trade debtors	740,713	1,865,873
Amounts owed by group undertakings	4,771,420	4,695,705
Deferred tax asset	203,628	–
Prepayments and accrued income	201,151	104,159
Directors loan account	–	85,301
Other debtors	21,325	21,382
	<u>5,938,237</u>	<u>6,772,420</u>

An impairment loss of £45,957 (2015: £Nil) was recognised against trade debtors.

#### **14. CREDITORS: amounts falling due within one year**

	31 Dec 15	31 Mar 15
	£	£
Trade creditors	42,873	107,142
Amounts owed to group undertakings	100,000	–
Accruals and deferred income	1,717,020	287,578
Corporation tax	2,002	59,852
Social security and other taxes	272,996	541,529
Obligations under finance leases and hire purchase contracts	24,775	23,502
Factoring creditor	535,487	901,407
Other creditors	12,706	256,787
	<u>2,707,859</u>	<u>2,177,797</u>

#### **15. CREDITORS: amounts falling due after more than one year**

	31 Dec 15	31 Mar 15
	£	£
Obligations under finance leases and hire purchase contracts	<u>66,270</u>	<u>85,169</u>

#### **16. FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	31 Dec 15	31 Mar 15
	£	£
Not later than 1 year	24,775	23,502
Later than 1 year and not later than 5 years	66,270	85,169
	<u>91,045</u>	<u>108,671</u>

# ABERDEEN APPOINTMENTS AGENCY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015

### 17. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	31 Dec 15	31 Mar 15
	£	£
Included in debtors (note 13)	203,628	—
Included in provisions (note 18)	—	(30,465)
	<u>203,628</u>	<u>(30,465)</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	31 Dec 15	31 Mar 15
	£	£
Accelerated capital allowances	(14,499)	(30,465)
Unused tax losses	218,127	—
	<u>203,628</u>	<u>(30,465)</u>

### 18. PROVISIONS

	Deferred tax (note 17) £
At 1st April 2015	30,465
Charge against provision	(30,465)

### 19. EMPLOYEE BENEFITS

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £39,622 (2015: £186,534).

### 20. CALLED UP SHARE CAPITAL

#### Issued, called up and fully paid

	31 Dec 15		31 Mar 15	
	No.	£	No.	£
Ordinary shares of £1 each	<u>37,500</u>	<u>37,500</u>	<u>37,500</u>	<u>37,500</u>

### 21. RESERVES

The profit and loss account includes all current and prior retained earnings and accumulated losses.

# ABERDEEN APPOINTMENTS AGENCY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### PERIOD FROM 1st APRIL 2015 TO 31st DECEMBER 2015

#### 22. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	31 Dec 15	31 Mar 15
	£	£
Not later than 1 year	202,750	202,750
Later than 1 year and not later than 5 years	811,000	811,000
Later than 5 years	506,875	658,938
	<u>1,520,625</u>	<u>1,672,688</u>

#### 23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At 31st December a balance of £Nil (2015: £85,301) was due from a director. Repayments of £85,301 were made in the period and no interest was charged (2015: £Nil).

#### 24. RELATED PARTY TRANSACTIONS

Amounts due to and from group undertakings at 31st December 2015 are aggregated as permitted by FRS 102 and shown separately in debtors and creditors.

In accordance with FRS 102 paragraph 33.1A, exemption is taken not to disclose transactions in the year between wholly owned group undertakings.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £150,000 (2015: £266,777).

#### 25. CONTROLLING PARTY

The company's immediate parent undertaking is AAA Group Limited and from 1st December 2015 its ultimate controlling party is Sword Group SE. Prior to this date the immediate and ultimate controlling party was AAA Group Limited. Sword Group SE produces financial statements available for public use.

#### 26. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1st April 2014.

No transitional adjustments were required in equity or profit or loss for the period.