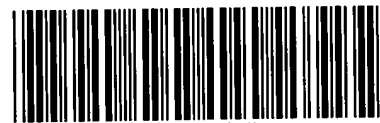


Company Registration No. 04265209 (England and Wales)

Worldwide Recruitment Solutions Limited

**Annual report and consolidated financial statements
for the year ended 31 December 2016**

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Worldwide Recruitment Solutions Limited

Company information

Directors	Mark Brown Francis Dunleavy Matthew Wells Daniel Ward (appointed 10/01/17)
Secretary	Luana Brown
Company number	04265209
Registered office	KB House Juniper Court Business Park Scott Drive Altrincham Cheshire WA15 8AB
Independent auditors	Mazars LLP One St Peter's Square Manchester M2 3DE
Business address	KB House Juniper Court Business Park Scott Drive Altrincham Cheshire WA15 8AB
Bankers	HSBC 2-4 St Anns Square Manchester M2 7EF

Worldwide Recruitment Solutions Limited

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Worldwide Recruitment Solutions Limited

Strategic Report For the year ended 31 December 2016

The Directors present their strategic report for the year ended 31 December 2016.

Review of the business

Worldwide Recruitment Solutions Limited (WRS) and its subsidiary undertakings provide global recruitment, managed services and global mobility to the oil and gas, marine, mining, power and construction industries.

The profit and loss account shows turnover for the year of £21,035,264 (2015: £26,250,660), gross profit of £3,605,197 (2015: £3,793,109) and loss before tax of £425,055 (2015: loss of £436,965).

The 2016 reported operating loss was £353,076 (2015: £411,231). A breakdown of this operating loss by region is shown on page 2.

2016 remained a challenging year, on the back of an equally challenging 2015. All globalisation initiatives have now been undertaken, with the Group now having full capability across Europe, Asia Pacific and The Middle East.

In light of the continued depression in both the offshore marine and energy markets, WRS has continued to diversify into construction during FY16. This diversification will serve to generate an underlying recurring level of freelance net fee income which will better position the group for any future cyclical industry downturns.

In August 2016 the Group executed a significant cost saving plan. This has resulted in a reduction in the operating cost base of £1.2m on an annualised basis and returned the UK business to profitability in Q4 FY16.

The Directors believe that this cost reduction exercise was essential in ensuring the business returns to a sustainable level of profitability which will serve as a platform for future growth.

Furthermore, the Group has readdressed the business development strategy, which will ensure that efforts are focussed on both territories and companies that the Group can best serve. This has already started to generate returns in the marine sector, with WRS becoming the provider of choice to a number of vessel operators.

Whilst the business continues to face depressed market conditions in the core markets of Energy and Marine, the Directors believe that the diversification and executed cost reductions will ensure that the Group is better placed to take advantage of any industry upturn.

The business remains committed to investing in its loyal and skilled workforce and will continue to innovate to meet the challenges that lay ahead.

Debtor days for the Group decreased to 56 days from 69 days in FY15. The high level of debtor days at the year-end relates largely to timing of receipts. Target debtor days remain at 55 days. During the year there has been increased internal focus on client credit given the downturn affecting both the oil and gas and marine industries.

Worldwide Recruitment Solutions Limited

Strategic Report (continued)

For the year ended 31 December 2016

Liquidity of the business remains strong, with positive levels of headroom underpinned by the continued provision of an invoice discounting facility from our bankers, HSBC.

Description of Principal Risks and Uncertainties

Continued uncertainty in the oil and gas industry

The historical core sectors of the business, marine and oil and gas, face continued pressures resulting from depressed energy prices. Whilst underlying commodity prices remain low they do appear to have stabilised. When combined with operators significantly reducing lifting costs, energy prices are now at a level where investment decisions are starting to be made in certain territories. The spot recruitment market remains challenging, however WRS has continued to win work, particularly in the marine sector where WRS has successfully won a number of crew management projects with various operators.

As a defensive move, to balance the cyclical nature of the energy industry WRS has continued to diversify into construction and is also exploring other areas of technical recruitment for potential further diversification.

Segmental profitability

The Group operating loss of £353,076 was split as follows;

Segmental Operating Result	GBP
UK	94,208
Abu Dhabi	(227,730)
Singapore	(219,554)
	(353,076)

(The above excludes the £398,696 impairment of the Abu Dhabi related party debtor in the UK profit and loss account which is removed at consolidated level)

The underlying UK operating business returned to profitability (2015: loss of £180,906) despite the continuing depression in both the offshore marine and oil and gas markets, this is largely a result of the cost saving exercise that was executed in August 2016. The Abu Dhabi office was scaled back at the end of 2016 due to lack of traction in the region. Post year end this subsidiary exists as a 'capability only' office whereby WRS maintains capability to provide contract services through the Middle East.

Singapore continued to be loss making in FY16 however business activity continued to increase. This operation is anticipated to turn to profitability in FY17 as a result of further intended investment in the recruiter headcount. Asia Pacific continues to be recognised as a core strategic location for WRS which provides continuing opportunities in the marine, construction and energy industries.

Competition

The markets in which the Group operates in continue to remain highly competitive. The Directors believe that continued geographical expansion coupled with the compliant solutions the Group offers will ensure that the Group remains competitive.

Global economic factors

The primary focus of the Group is delivering solutions to the resource industries. Whilst the Group is subject to global economic pressures the Group has been both geographically and industry sector diversified in order to reduce such exposure. Trading levels are still, however, dependent upon the state of the general economy.

Legislative risk

The Group has been working hard to ensure compliance with legislative changes. The Directors are in continual discussion with industry peers and focus groups to ensure the Group is aware of any legislative changes that may affect it.

The position of the Group at the year end

The Consolidated Statement of Financial Position on page 10 of the financial statements shows that the Group's financial position at the year end, in terms of its net assets position, has deteriorated during the year. The primary reason for the deterioration was the investment in geographical expansion and the commencement of trade in the Singapore subsidiary.

Future events

The Group continues to focus on developing trade across the four key areas, being Energy, Maritime, Mining and Construction. 2017 will see the Group continue its diversification into UK construction, in the North West of England initially and then further afield geographically. A key focus for the Singapore operation in 2017 will be developing a presence locally in the maritime industry to leverage off both the UK maritime team and the beneficial geographical nature of the Singapore office.

On behalf of the board on 29 September 2017.



.....
Mark Brown
Director

Worldwide Recruitment Solutions Limited

Directors' Report

For the year ended 31 December 2016

The Directors present their report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company and its subsidiary undertakings was that of staff recruitment.

Results and dividends

The results for the year are set out on page 8.

Directors

The following directors have held office during the period:

Mark Brown
Francis Dunleavy
Matthew Wells

Auditors

Mazars LLP have expressed their willingness to remain in office as auditors of the Group.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 group and the company and of the profit or loss of the group for that period.

In preparing those 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors expect the Group to return to profitability in 2017 and continue to manage costs. Given the supportive nature of funders, the Directors are not aware of any reason why funding might be withdrawn. As a result they have adopted the going concern basis of accounting.

Worldwide Recruitment Solutions Limited

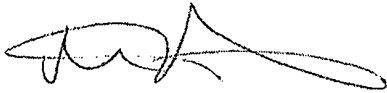
Directors' report (continued)

For the year ended 31 December 2016

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the Board of Directors:



Mark Brown

Director

29 September 2017

Company registration number: 04265209

Worldwide Recruitment Solutions Limited

Independent auditor's report to the members of Worldwide Recruitment Solutions Limited For the year ended 31 December 2016

We have audited the financial statements of Worldwide Recruitment Solutions Limited for the year ended 31 December 2016 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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. 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.

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 web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 31 December 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Worldwide Recruitment Solutions Limited

**Independent auditor's report to the members of Worldwide Recruitment Solutions Limited
For the year ended 31 December 2016**

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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



**Neil Barton (Senior Statutory Auditor)
for and on behalf of Mazars LLP**

Chartered Accountants and Statutory Auditor

One St Peter's Square
Manchester
M2 3DE

Date: 29 SEPTEMBER 2017

Worldwide Recruitment Solutions Limited

**Consolidated Income Statement
For the year ended 31 December 2016**

	Note	2016 £	2015 £
Turnover	2	21,035,264	26,250,660
Cost of sales		<u>(17,430,067)</u>	<u>(22,457,551)</u>
Gross profit		3,605,197	3,793,109
Administrative expenses:			
Before exceptional items		(4,078,005)	(3,975,410)
Geographical expansion	4	<u>-</u>	<u>(161,005)</u>
		(472,808)	(343,306)
Other operating income/(expense)		119,732	(67,925)
Operating loss	3	<u>(353,076)</u>	<u>(411,231)</u>
Interest receivable and similar income	6	3,834	45,011
Interest payable and similar charges	7	<u>(75,813)</u>	<u>(70,745)</u>
Loss on ordinary activities before taxation		(425,055)	(436,965)
Tax on profit on ordinary activities	8	<u>(226,129)</u>	<u>(218,218)</u>
Loss for the financial year		<u>(651,184)</u>	<u>(655,183)</u>

The consolidated income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 15 to 34 form part of these financial statements.

Worldwide Recruitment Solutions Limited

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2016

	2016	2015
	£	£
Loss for the financial year	(651,184)	(655,183)
Exchange differences on retranslation of subsidiary undertakings	<u>(162,624)</u>	<u>(1,497)</u>
Total comprehensive loss for the year	<u>(813,808)</u>	<u>(656,680)</u>

Worldwide Recruitment Solutions Limited

Consolidated Statement of Financial Position
As at 31 December 2016

	Note	2016	2015
		£	£
Fixed assets			
Tangible assets	9	80,870	79,873
		<u>80,870</u>	<u>79,873</u>
Current assets			
Debtors	11	4,718,885	6,445,590
Cash at bank and in hand		682,564	1,161,654
		<u>5,401,449</u>	<u>7,607,244</u>
Creditors: amounts falling due within one year	12	<u>(4,076,844)</u>	<u>(5,374,960)</u>
Net current assets		1,324,605	2,232,284
Total assets less current liabilities		<u>1,405,475</u>	<u>2,312,157</u>
Creditors: amounts falling due in more than one year	14	(4,641)	(4,482)
Provisions for liabilities	15	(12,224)	(13,521)
Net assets		<u>1,388,610</u>	<u>2,294,154</u>
Capital and reserves			
Called up share capital	17	128	128
Foreign exchange translation reserve	18	(164,121)	(1,497)
Profit and loss account	18	1,552,603	2,295,523
		<u>1,388,610</u>	<u>2,294,154</u>

The notes on pages 15 to 34 form part of these financial statements.

The financial statements were approved by the Board of Directors on 29 September 2017.

Signed on behalf of the board of directors:

Matthew Wells
Director

Company registration number: 04265209

Worldwide Recruitment Solutions Limited

Company Statement of Financial Position
As at 31 December 2016

	Note	2016	2015
		£	£
Fixed assets			
Tangible assets	9	75,325	76,922
Investments	10	13,971	48
		<u>89,296</u>	<u>76,970</u>
Current assets			
Debtors	11	4,457,265	6,758,033
Cash at bank and in hand		<u>563,555</u>	<u>1,065,443</u>
		<u>5,020,820</u>	<u>7,823,476</u>
Creditors: amounts falling due within one year	12	<u>(4,026,560)</u>	<u>(5,356,469)</u>
Net current assets		994,260	2,467,007
Total assets less current liabilities		<u>1,083,556</u>	<u>2,543,977</u>
Debtors: amounts falling due in more than one year	13	765,524	-
Creditors: amounts falling due in more than one year	14	(4,641)	(4,482)
Provisions for liabilities	15	(12,224)	(13,521)
Net assets		<u>1,832,215</u>	<u>2,525,974</u>
Capital and reserves			
Called up share capital	17	128	128
Profit and loss account	18	<u>1,832,087</u>	<u>2,525,846</u>
		<u>1,832,215</u>	<u>2,525,974</u>

The notes on pages 15 to 34 form part of these financial statements.

The financial statements were approved by the Board of Directors on 29 September 2017.

Signed on behalf of the board of directors:

Matthew Wells
Director

Company registration number: 04265209

Worldwide Recruitment Solutions Limited

Consolidated Statement of Cash Flows
For the year ended 31 December 2016

	Notes	2016 £	2015 £
Net cash generated from operating activities	20	1,210,389	420,817
Cash flows from investing activities			
Purchase of tangible assets		(50,075)	(49,946)
Net cash used in investing activities		(50,075)	(49,946)
Cash flows from financing activities			
Dividends paid		(91,736)	(270,736)
Interest received		3,834	45,011
Interest paid		(75,813)	(70,745)
Repayment of finance lease obligations		(5,138)	(30,704)
New finance lease contracts		8,294	-
Movements on invoice discounting		(1,268,638)	238,801
Net cash used in financing activities		(1,429,197)	(88,373)
Net increase in cash and cash equivalents		(268,883)	282,498
Foreign exchange translation adjustment		(162,624)	(1,497)
Cash and cash equivalents at the start of the year		740,129	459,128
Cash and cash equivalents at the end of the year	21	308,622	740,129
Cash and cash equivalents at the end of the year comprise;			
Cash at bank and in hand		682,564	1,161,654
Bank overdrafts		(373,942)	(421,525)
		308,622	740,129

Worldwide Recruitment Solutions Limited

Consolidated Statement of Changes in Equity
For the year ended 31 December 2016

	Called up share capital	Foreign exchange translation reserve	Profit and loss account	Total
At 1 January 2015	128	-	3,221,442	3,221,570
Total comprehensive income for the year	-	(1,497)	(655,183)	(656,680)
Dividends paid	-	-	(270,736)	(270,736)
At 31 December 2015	128	(1,497)	2,295,523	2,294,154
Total comprehensive income for the year	-	(162,624)	(651,184)	(813,808)
Dividends paid	-	-	(91,736)	(91,736)
At 31 December 2016	128	(164,121)	1,552,603	1,388,610

Worldwide Recruitment Solutions Limited

**Company Statement of Changes in Equity
For the year ended 31 December 2016**

	Called up share capital	Profit and loss account	Total
At 1 January 2015	128	3,221,442	3,221,570
Total comprehensive income for the year	-	(424,860)	(424,860)
Dividends paid	-	(270,736)	(270,736)
At 31 December 2015	128	2,525,846	2,525,974
Total comprehensive income for the year	-	(602,023)	(602,023)
Dividends paid	-	(91,736)	(91,736)
At 31 December 2016	128	1,832,087	1,832,215

1 Accounting policies

1.1 Statement of compliance

Worldwide Recruitment Solutions Limited is a limited liability company incorporated in England. The Registered Office is KB House, Juniper Court Business Park, Scott Drive, Altrincham, Cheshire, WA15 8AB. The Group's financial statements have been prepared in compliance with FRS 102.

1.2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modifications to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£) which is the functional currency of the Group.

The Group financial statements consolidate the financial statements of Worldwide Recruitment Solutions Limited and all its subsidiary undertakings drawn up to 31 December each year.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Income Statement in these financial statements. The parent company's loss for the year was £693,023 (2015:£424,860 loss).

The financial statements have been prepared on the going concern basis, as described in the Directors' report.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the exemptions from preparing a statement of cash flows and from disclosing the company key management personnel compensation.

1.3 Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Taxation

The Group establishes provisions based on reasonable estimates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in notes 8 and 15.

Share-based payments

Employee share options are recognised over the vesting period. Management judgement is required to determine the extent to which such options are likely to vest and therefore the cost to be recognised during the period. Further details are contained in note 16.

Estimate of bad debt provision

Management judgement is required concerning the recoverability of trade receivables and value of provision to be made where there is doubt regarding full recovery. Factors considered include trading history, the current financial information, the level of credit insurance cover and the health of customer relationship.

1.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Equipment	- over 3 years
Fixtures and fittings	- over 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.5 Equity investments

Equity investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through profit and loss).

Subsequently, they are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available. If a reliable measure of fair value is no longer available, the equity instrument's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less impairment.

1.6 Provisions for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The effect of the time value of money is not material and therefore the provisions are not discounted.

1.7 Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.8 Foreign currency transactions

Company

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Group

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

1.9 Derivative instruments

The Group uses forward foreign currency contracts and currency options to reduce exposure to foreign exchange rates. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the forward currency contracts is calculated by reference to projected future exchange rates and to the current rates of forward exchange contracts with similar maturity profiles.

1.10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1.11 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1.12 Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives.

A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability. Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

1.13 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

1.14 Share-based payments

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

The financial effect of awards by the parent company of options over its equity shares to the employees of subsidiary undertakings are recognised by the parent company in its individual financial statements. In particular the parent company records an increase in its investment in subsidiaries with a credit to equity equivalent to the cost in the subsidiary undertakings.

1.15 Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement.

1.16 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes which fall within the company's ordinary activities.

Rendering of services

Turnover from the rendering of services is recognised by reference to the nature and status of a placement. Turnover arising from the placement of permanent candidates is recognised at the time the candidate commences full time employment. Turnover from contract placements is recognised over the period the placement is provided in accordance with the contractual agreement.

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

4 Exceptional items

	2016	2015
	£	£
Recognised in arriving at operating profit:		
Geographic expansion	-	161,005
	-	161,005

International Diversification

During the year to 31 December 2015, the business pursued its strategy of diversifying risk through penetration of new geographical markets including Singapore and Abu Dhabi. The above costs also include the cessation of the Kurdistan office.

5 Staff costs

Staff costs (including directors) comprise the following:

	2016	2015
	£	£
Wages and salaries	2,511,136	2,486,214
Social security	213,321	254,472
Other pension costs	9,238	10,051
	2,733,695	2,750,737

The Group operates a stakeholder defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pensions provider. Pension payments recognised as an expense during the year amount to £9,238 (2015: £10,051)

The average number of employees of the group during the year was:

	2016	2015
Sales	50	51
Administrative	14	13
Management	3	3
	67	67

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

5 Staff Costs (continued)

Remuneration in respect of directors was as follows:

	2016	2015
	£	£
Emoluments	247,971	106,062
Pension contributions to money purchase pension scheme	289	372
	<u>248,260</u>	<u>106,434</u>

During the year, 1 (2015: 1) director participated in a money purchase pension scheme.

6 Investment income

Interest on financial assets measured at amortised cost:

	2016	2015
	£	£
Bank interest	-	82
Interest levied on overdue debt	3,834	44,929
	<u>3,834</u>	<u>45,011</u>

7 Interest payable and similar items

Interest on financial liabilities measured at amortised cost:

	2016	2015
	£	£
On bank loans and overdraft	25,029	16,614
Hire purchase interest	8,376	4,966
On amounts payable to invoice discounting	42,408	49,165
	<u>75,813</u>	<u>70,745</u>

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

8 Tax

The tax (credit)/charge is based on the profit for the year and represents:

	2016	2015
	£	£
<i>Current tax</i>		
UK corporation tax at 20.00% (2015: 20.67%)	18,499	-
Double tax relief	(18,499)	-
Adjustment for prior years	-	(63,698)
	<u>227,426</u>	<u>279,878</u>
Foreign corporation tax	227,426	279,878
Total current tax	<u>227,426</u>	<u>216,180</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(547)	3,187
Effect of decreased tax rate on opening liability	(750)	(1,149)
	<u>(1,297)</u>	<u>2,038</u>
Group deferred tax	<u>(1,297)</u>	<u>2,038</u>
	<u>226,129</u>	<u>218,218</u>
Factors affecting the tax charge for the year		
(Loss)/Profit on ordinary activities before taxation	<u>(425,055)</u>	<u>(436,965)</u>
The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 20.00% (2015: 20.67%). The differences are explained below:	<u>(85,011)</u>	<u>(90,321)</u>
Effects of:		
Expenses not deductible for tax purposes	81,406	6,006
Deferred tax not recognised	26,316	48,393
Change in tax rate	646	23
Other timing differences	(6,522)	32,870
Deferred tax not recognised	(60)	-
Overseas tax differences	<u>209,354</u>	<u>221,247</u>
	<u>311,140</u>	<u>308,539</u>
Tax on results on ordinary activities	<u>226,129</u>	<u>218,218</u>

Factors affecting the future tax charge

UK Finance Act (No. 2) 2015 which provided for a reduction in the UK Corporation Tax rate to 19% from 1 April 2017 and 17% from 1 April 2020 was substantively enacted on 6 September 2016. Deferred tax assets and liabilities are valued at the relevant tax rate for the period in which it is expected to be recognised.

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

9 Tangible fixed assets

The Group

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2016	29,440	235,045	264,485
Additions	2,647	47,428	50,075
Difference on exchange	-	757	757
At 31 December 2016	32,087	283,230	315,317
Depreciation			
At 1 January 2016	(18,240)	(166,372)	(184,612)
Provided in the year	(3,080)	(46,518)	(49,598)
Difference on exchange	-	(237)	(237)
At 31 December 2016	(21,320)	(213,127)	(234,447)
Net book amount at 31 December 2016	10,767	70,103	80,870
Net book amount at 31 December 2015	11,200	68,673	79,873

The Company

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2016	29,440	231,361	260,801
Additions	2,647	42,976	45,623
At 31 December 2016	32,087	274,337	306,424
Depreciation			
At 1 January 2016	(18,240)	(165,639)	(183,879)
Provided in the year	(3,080)	(44,140)	(47,220)
At 31 December 2016	(21,320)	(209,779)	(231,099)
Net book amount at 31 December 2016	10,767	64,558	75,325
Net book amount at 31 December 2015	11,200	65,722	76,922

As at 31 December 2016, the net book value of assets held under finance leases or hire purchase contracts was £9,748 (2015: £3,797).

Worldwide Recruitment Solutions Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2016**

10 Investments

Total fixed asset investments comprise:

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Interests in subsidiaries	-	-	13,971	48
	<u>-</u>	<u>-</u>	<u>13,971</u>	<u>48</u>

Interests in subsidiaries

At 31 December 2016, the group and the company had interests in the following subsidiaries:

Subsidiary	Type of shares held	Proportion held	Country of incorporation	Nature of business
Worldwide Recruitment Solutions (Singapore) Pte. Ltd	Ordinary	100%	Singapore	Recruitment
Middle East Worldwide Human Resource Services LLC	Ordinary	49%	Abu Dhabi	Recruitment

The company

Cost	Shares in subsidiary undertakings
	£
At 1 January 2016	48
Additions	13,923
At 31 December 2016	<u>13,971</u>
Net book value	
At 31 December 2016	<u>13,971</u>
At 01 January 2016	<u>48</u>

During the year the company incorporated Middle East Worldwide Human Resource Services LLC. Middle East Worldwide Resource Services LLC is a 49% owned subsidiary. 51% of the entity is owned by Sumaco Manpower Recruitment Company LLC. The entity is deemed a subsidiary as a scheme of arrangement is in place granting the directors of Worldwide Recruitment Solutions Limited control over the financial and operating policies of the entity.

11 Debtors

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	3,212,926	4,964,000	2,992,299	4,923,670
Other debtors	24,395	27,716	572	24,974
Amounts owed by subsidiary undertakings	-	-	-	371,230
Corporation tax	-	63,698	-	63,698
Directors' current accounts	111,933	22,012	111,933	22,012
Prepayments and accrued income	1,369,631	1,368,164	1,352,461	1,352,449
	<u>4,718,885</u>	<u>6,445,590</u>	<u>4,457,265</u>	<u>6,758,033</u>

At 31 December 2016, £2,692,458 (2015: £4,905,528) of trade debtor balances were subject to an invoice discounting arrangement.

12 Creditors: amounts falling due within one year

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Bank overdrafts	373,942	421,525	373,942	421,525
Invoice discounting facility	1,359,771	2,628,409	1,359,771	2,628,409
Net obligations under hire purchase contracts	6,026	3,029	6,026	3,029
Trade creditors	1,142,332	1,555,772	1,143,421	1,545,359
Other taxes and social security costs	62,793	39,378	54,704	37,284
Amounts owed to subsidiary undertakings	-	-	-	48
Corporation tax	19,777	-	19,777	-
Derivatives	302,118	161,608	302,118	161,608
Other creditors	465,319	8,035	462,851	5,519
Accruals and deferred income	344,766	557,204	303,950	553,688
	<u>4,076,844</u>	<u>5,374,960</u>	<u>4,026,560</u>	<u>5,356,469</u>

The company has an invoice financing agreement with HSBC PLC. This is secured by a fixed and floating charge over the assets of the company dated 26 January 2015. At 31 December 2016, the value of the facility secured was £1,359,771 (2015: £2,628,409).

Included in net obligations under hire purchase contracts is £6,026 (2015: £3,029) secured by fixed charges on the assets concerned.

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

13 Debtors: amounts falling due after more than one year

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts due from subsidiary undertakings	-	-	765,524	-
	<u>-</u>	<u>-</u>	<u>765,524</u>	<u>-</u>

14 Creditors: amounts falling due after more than one year

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Net obligations under hire purchase contracts	4,641	4,482	4,641	4,482
	<u>4,641</u>	<u>4,482</u>	<u>4,641</u>	<u>4,482</u>

Included in net obligations under hire purchase contracts is £4,641 (2015: £4,482) secured by fixed charges on the assets concerned.

15 Provisions for liabilities

Group

	Deferred tax liability
At 1 January 2016	13,521
Additions	-
Origination and reversal of timing differences	-
Changes in tax rates	-
At 31 December 2016	<u>13,521</u>

Company

	Deferred tax liability
At 1 January 2016	13,521
Origination and reversal of timing differences	<u>(1,297)</u>
At 31 December 2016	<u>12,224</u>

£3,445 of the deferred tax liability set out above is expected to reverse within 12 months of the year end and relates to accelerated capital allowances that are expected to mature within the same period.

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

16 Share-based payment transactions

During the year ended 31 December 2016, the company had three share-based payment arrangements, which are described below.

As at 31 December 2016, the company has unexercised options over Ordinary E shares. These options were granted on 30 November 2011, 16 May 2013 and 30 April 2015 with fair values of £12.42 (2015: £12.42), £46.47 (2015: £46.47) and £73.37 (2015: £73.37) respectively.

The options, subject to continued employment, expire 10 years after the grant date, and vest on a change of control or sale of the company. There are certain performance criteria attached to the options granted on 16 May 2013. The amount to be expensed in the profit and loss account is adjusted to reflect forfeitures and the expectations of performance criteria being met.

As at 31 December 2016, there were 2,189 (2015: 2,189) options outstanding with a weighted average exercise price of £82.10 (2015: £82.10p) and a weighted average remaining contractual life of 6 years (2015: 7 years).

The company recognised total expenses of £nil (2015: £nil) related to equity-settled share-based payment transactions during the year as the directors consider the charge to be immaterial.

The estimated fair value was calculated by applying the Black-Scholes option pricing model.

The model inputs were:

Share price at grant date of £20.37, £65.67 and £120.99 respectively;
Exercise price of £0.01, £0.01 and £470.58 respectively;
Expected volatility of 40.00 per cent
Expected dividend yield of 10%
Option life of 5 years, 3.5 years and 5 years respectively; and
A risk-free interest rate of 0.80 per cent

Further details of the share option plans are as follows:

	Number of options 2016 £	Weighted average exercise price 2016 £	Number of options 2015 £	Weighted average exercise price 2015 £
Outstanding at 1 January	2,189	0.01	1,957	0.01
Granted	-	470.58	382	470.58
Forfeited	-	0.01	(150)	0.01
	<u>2,189</u>	<u>82.10</u>	<u>2,189</u>	<u>82.10</u>

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

17 Called up share capital

Parent company

	2016	2015
	£	£
Authorised, allotted and fully paid		
200 ordinary shares of 1p each	2	2
5,000 ordinary B shares of 1p each	50	50
2,323 Ordinary C shares of 1p each	23	23
2,550 Ordinary D shares of 1p each	26	26
2,677 Ordinary E shares of 1p each	27	27
	<u>128</u>	<u>128</u>

All classes of shares have equal voting rights and rank equally with all other shares for dividends and on a return of capital. Except where the aggregate issued Ordinary, B Ordinary and C Ordinary shares fall below 59% whereupon the first 59% of dividends or return of capital shall be distributed equally amongst the Ordinary, B Ordinary and C ordinary shares (as if they were one class) and shall have 59% of the votes.

18 Reserves

- Called-up share capital – represents the nominal value of shares that have been issued.
- Foreign exchange translation reserve – comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£).
- Profit and loss account – includes all current and prior period retained profits and losses.

19 Dividends

	2016	2015
	£	£
Declared and paid during the year:		
5,000 ordinary B shares of 1p each	32,868	73,368
2,323 Ordinary C shares of 1p each	32,868	73,368
2,550 Ordinary D shares of 1p each	26,000	124,000
	<u>91,736</u>	<u>270,736</u>

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

20 Reconciliation of profit to net cash inflow from operating activities

	2016	2015
	£	£
Group loss for the year	(651,184)	(655,183)
Adjustments for:		
Depreciation of tangible assets	49,598	50,567
Interest received	(3,834)	(45,011)
Interest paid	75,813	70,745
Taxation	163,939	218,218
Decrease in trade and other debtors	1,705,420	1,253,436
Decrease in trade and other payables	(125,402)	(155,572)
Change in fair value of derivatives	140,510	161,608
Foreign exchange	(520)	-
Cash from operations	1,354,340	898,808
Income taxes paid	(143,951)	(477,991)
Net cash generated from operating activities	<u>1,210,389</u>	<u>420,817</u>

21 Cash and cash equivalents

Cash and cash equivalents comprise the following:

	The Group		The Company	
	At 31 December 2016 £	At 31 December 2015 £	At 31 December 2016 £	At 31 December 2015 £
Cash at bank and in hand	682,564	1,161,654	563,555	1,065,443
	<u>682,564</u>	<u>1,161,654</u>	<u>563,555</u>	<u>1,065,443</u>
Bank overdraft	(373,942)	(421,525)	(373,942)	(421,528)
	<u>-</u>	<u>(421,528)</u>	<u>(373,942)</u>	<u>(421,528)</u>
Cash and cash equivalents	<u>308,622</u>	<u>740,129</u>	<u>189,613</u>	<u>643,915</u>

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

22 Leasing commitments

The group and company's future minimum operating lease payments are as follows:

	2016	2015
	£	£
Within one year	200,417	128,638
Between one and five years:	<u>273,619</u>	<u>378,231</u>
	<u><u>474,036</u></u>	<u><u>506,869</u></u>

The group and company's future minimum finance lease payments are as follows:

	2016	2015
	£	£
Within one year	6,189	4,172
Between one and five years:	<u>4,641</u>	<u>5,215</u>
	<u><u>10,830</u></u>	<u><u>9,387</u></u>

Certain items of equipment are held under finance lease arrangements. Finance lease liabilities are secured by the related assets held under finance leases (see note 9)

The directors' consider that the operating lease agreements include no significant clauses or restrictions that require disclosure.

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

23 Transactions with related parties

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 December 2016, are as follows:

	2016	2015
	£	£
<i>Payments to</i>		
Key management personnel compensation	248,260	123,847
Dividends to directors and spouses	91,736	270,736
	<u>339,996</u>	<u>394,583</u>
<i>Balances owed by</i>		
Mark Brown (Director)	71,632	15,925
Luana Brown (Secretary)	45,021	11,977
	<u>116,653</u>	<u>27,902</u>
<i>Balances owed to</i>		
Francis Dunleavy (Director)	4,721	5,650
	<u>4,721</u>	<u>5,650</u>

Key management personnel

All directors, executive and non-executive, are considered to be key management personnel. No other staff members are considered to exert the necessary influence over planning and controlling the activities of the Group to be considered key management personnel.

Transactions with directors

Advances to directors are unsecured, interest free and repayable on demand.

Consultancy Contract

The Group signed a consultancy agreement for AML Contractors Limited to provide the consultancy services of the directors listed below to the Group as follows:

	2016	2015
	£	£
Mark Brown	75,000	-
Francis Dunleavy	75,000	-
	<u>150,000</u>	<u>-</u>

The amounts charged to the Group for the consultants services are accounted for under "Consultancy Services". The total value of the consultancy services provided was £150,000 (2015 - £nil). The transactions were conducted on an arm's length basis, and under normal commercial terms. At the year end, an amount £nil (2015 - £nil) was outstanding.

24 Financial risk management

The group has exposures to three main areas of financial risk – foreign exchange currency exposure, liquidity risk and customer credit exposure. To a lesser extent the group is exposed to interest rate risk.

Foreign exchange transaction currency exposure

The group is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non-Sterling currencies. The net exposure of each currency is monitored and managed by the use of forward foreign exchange contracts, currency options, currency loans or overdrafts. The group's subsidiary, Worldwide Recruitment Solutions Ltd PTE, is exposed to currency exchange risk arising from non- SGD currencies, but as this is not significant no active management of this risk is undertaken.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group prepares cash flow forecasts and expects to meet its financial obligations through operating cash flows including the use of an invoice discounting facility.

Customer credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the service. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by credit insurance.

Interest rate risk

The group borrows from its bankers using an invoice discounting facility, the cost of which is ultimately linked to movements in interest rate. As the risk of significant increases to interest rates in the short term is not considered significant, no active management of this risk is undertaken.

25 Financial assets and liabilities

Group and company

	2016	2015
	£	£
Financial (liabilities)/assets measured at fair value through profit or loss	<u>(302,118)</u>	<u>(161,608)</u>
	<u>(302,118)</u>	<u>(161,608)</u>

Foreign currency forward contracts and currency options are not traded in active markets. These have been fair valued using observable forward exchange rates corresponding to the maturity of the contract. At 31 December 2016, the outstanding contracts all mature within 12 months (2015: 19 months) of the year end. The company is committed to sell \$1,400,000 and €300,000 and receive a fixed sterling amount.

Worldwide Recruitment Solutions Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

24 Financial assets and liabilities (continued)

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Financial assets measured at amortised cost	3,349,254	6,136,162	3,104,804	6,467,062
Financial liabilities measured at amortised cost	3,754,949	5,176,915	3,704,665	5,160,518

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise bank borrowings, trade creditors, other creditors and accruals.

26 Post balance sheet events

After the year end loans two loans have been made to the Group by related parties. Jennifer Brown (relation of ultimate controlling party, Mark Brown) has made a loan of £300,000. Francis Dunleavy (Director) has made a loan of £150,000. Commercial terms have been agreed for both loans.

Dividends totalling £145,368 have been declared after the year end.

27 Comparative figures

Within the 2015 consolidated statement of cash flows, £238,801 has been reclassified from cash to movements on invoice discounting to better reflect its nature.