

Worldwide Recruitment Solutions Limited

Registered number: 04265209

Annual report and financial statements

For the year ended 31 December 2018



WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	M Brown F Dunleavy M Wells D Ward
Registered number	04265209
Registered office	KB House, Juniper Court Business Park Scott Drive Altrincham Cheshire WA15 8AB
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor One St. Peter's Square Manchester M2 3DE
Bankers	HSBC 2-4 St Anns Square Manchester M2 7EF

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

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WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The directors present their strategic report for the year ended 31 December 2018.

Business review

Worldwide Recruitment Solutions Limited (WRS) and its subsidiary undertakings ("the Group") provide global recruitment, managed services and global mobility to the Energy, Maritime, Mining and Construction industries.

The Income Statement shows turnover for the year of £29,818,105, an increase of 48% on 2017 (£20,115,266), gross profit of £5,109,491, up 49% on 2017 (£3,436,051) and operating profit before exceptional items of £616,023 (2017: £6,106).

2018 was a positive year for the Group, with both turnover and gross profit up 48% and 49% on FY17 respectively. The £1,673,440 improvement in gross margin generated a £609,917 improvement pre exceptionals in operating profit, as the business invested further in operational infrastructure to facilitate further growth.

2018 saw improved market conditions in the Group's core markets, with commodity price stabilisation driving renewed levels of capital investment across both the Mining and Energy sectors.

The Group is continuing to build critical mass across its core sectors of maritime, energy and mining. The business established a presence in the Kurdistan region of Iraq, to facilitate the provision of contractor services to clients in region. On the back of the success of this entity, further geographical expansion is being explored.

As a result of improved performance in core sectors, a full overview of non-core sectors was undertaken. During this review, the construction division was deemed to be non-core and as such the trade and assets of this division were disposed of post year end, enabling the Directors to focus on driving the core business. In addition to this, the Abu Dhabi entity was deemed to be non-core during 2017 and liquidation proceedings commenced in 2018. Following the year end, this entity has now been liquidated.

The business is committed to its workforce and continues to invest in the skills base of the workforce. The Directors recognise that the personnel are the key asset of the business.

Debtor days for the Group decreased from 59 days in 2017 to 58 days in 2018. Target debtor days remain at 55 days and there is a continued focus on liquidity management within the business.

Liquidity of the business remains sufficient for current levels of trading, with positive levels of headroom underpinned by the continued provision of an invoice discounting facility from our bankers, HSBC. The directors continue to explore additional funding options, to ensure that the business has sufficient liquidity to facilitate increased trading activity, particularly in new geographical regions.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Principal risks and uncertainties

Cyclicality of the oil and gas industry

The business continues to remain heavily reliant upon commodity price driven industries. Steps have been taken within the core sectors of the business to reduce the exposure to commodity price fluctuations. The Directors view the business to now be far more sustainable to any sector price shocks, due to the longer term nature of client projects and contracts that the group are servicing. There is a continued shortage of talent in the energy market, following the industry downturn which is now resulting in increased levels of demand for skilled labour in this sector.

Competition

The markets in which the Group operates in continue to remain highly competitive. Notwithstanding this, as a result of the above-mentioned labour shortages in the energy sector, the business has noted increases in both contractor day rates and margins. The directors are aware of competitive forces within the market and are striving to ensure that the business continues to exceed client service level expectations.

Global economic factors

Ultimately, the business is still driven to an extent by global macro-economic conditions. The business is now benefiting from a period of increased activity in the energy sector, however the directors are aware that the business is not immune from economic events.

Geographical risk

The Group now has a presence in the Kurdistan region of Iraq. The directors are aware of the political instability in the region and are monitoring the situation. A geographical development plan is in place to reduce the concentration risk and the Group continues to operate on a global basis through its presence in Singapore.

Legislative risk

The Group has been working hard to ensure compliance with legislative changes, in particular the IR35 changes that become effective as of April 2020.

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.

Impact of Brexit

The Directors continue to assess the potential implications if the United Kingdom withdraw from the European Union. Although there is an appreciation that there is a level of uncertainty associated with this, no significant direct implications are expected. In mitigation of the risk, the group has incorporated a subsidiary in the Republic of Ireland to facilitate continuing trade with European Union based clients.

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 improved during the year as the Group has returned to profitability.

Future events

The intention for 2019 and beyond is to continue to build critical mass in core sectors across the Group. The withdrawal from the UK construction market will enable the group to devote more energy to its core sectors.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

This report was approved by the board on 27 September, 2019 and signed on its behalf.



M Wells
Director

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £260,060 (2017 - loss £71,922).

Directors

The directors who served during the year were:

M Brown
F Dunleavy
M Wells
D Ward

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *27th September 2019* and signed on its behalf.



M Wells
Director

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Worldwide Recruitment Solutions Limited (the 'Parent Company') and its subsidiaries (the "Group") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 2.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group's and Parent Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Group and Parent Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and Parent Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's nor Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us;
- the Parent Company financial statements are not in agreement with the accounting records and returns;
- 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.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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



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: 30 SEPTEMBER 2019

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	29,818,105	20,115,266
Cost of sales		(24,708,614)	(16,679,215)
Gross profit		<u>5,109,491</u>	<u>3,436,051</u>
Administrative expenses		(4,553,720)	(3,471,982)
Exceptional administrative expenses		(230,000)	-
Other operating income		60,252	42,038
Operating profit	6	<u>386,023</u>	<u>6,107</u>
Interest receivable and similar income	10	-	2,877
Interest payable and expenses	11	(113,488)	(50,812)
Profit/(loss) before taxation		<u>272,535</u>	<u>(41,828)</u>
Tax on profit/(loss)	12	(12,475)	(30,094)
Profit/(loss) for the financial year		<u>260,060</u>	<u>(71,922)</u>
Currency translation differences		(22,873)	(73,505)
Other comprehensive income for the year		<u>(22,873)</u>	<u>(73,505)</u>
Total comprehensive income for the year		<u>237,187</u>	<u>(145,427)</u>

The notes on pages 16 to 36 form part of these financial statements.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED
REGISTERED NUMBER: 04265209

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	51,887	-
Tangible assets	14	50,135	44,108
		<u>102,022</u>	<u>44,108</u>
Current assets			
Debtors: amounts falling due within one year	16	6,716,205	4,414,788
Cash at bank and in hand	17	1,106,248	480,506
		<u>7,822,453</u>	<u>4,895,294</u>
Creditors: amounts falling due within one year	18	(6,877,188)	(3,909,323)
Net current assets		<u>945,265</u>	<u>985,971</u>
Total assets less current liabilities		<u>1,047,287</u>	<u>1,030,079</u>
Provisions for liabilities			
Deferred taxation	20	-	(6,108)
		<u>-</u>	<u>(6,108)</u>
Net assets		<u><u>1,047,287</u></u>	<u><u>1,023,971</u></u>
Capital and reserves			
Called up share capital		128	128
Foreign exchange reserve		(260,499)	(237,626)
Profit and loss account		1,307,658	1,261,469
		<u>1,047,287</u>	<u>1,023,971</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
 27 September 2019


M Wells
 Director

The notes on pages 16 to 36 form part of these financial statements.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED
REGISTERED NUMBER: 04265209

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	51,887	-
Tangible assets	14	39,432	38,878
Investments	15	13,971	13,971
		<u>105,290</u>	<u>52,849</u>
Current assets			
Debtors: amounts falling due after more than one year	16	1,195,111	1,077,306
Debtors: amounts falling due within one year	16	6,239,349	4,105,914
Cash at bank and in hand	17	982,859	294,994
		<u>8,417,319</u>	<u>5,478,214</u>
Creditors: amounts falling due within one year	18	(6,733,835)	(3,760,378)
Net current assets		<u>1,683,484</u>	<u>1,717,836</u>
Total assets less current liabilities		<u>1,788,774</u>	<u>1,770,685</u>
Provisions for liabilities			
Deferred taxation	20	-	(6,108)
Net assets		<u><u>1,788,774</u></u>	<u><u>1,764,577</u></u>
Capital and reserves			
Called up share capital		128	128
Profit and loss account carried forward		1,788,646	1,764,449
		<u>1,788,774</u>	<u>1,764,577</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £272,045 (2017 - 151,574).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 SEPTEMBER 2019


M Wells
 Director

The notes on pages 16 to 36 form part of these financial statements.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	128	(164,121)	1,552,603	1,388,610
Comprehensive income for the year				
Loss for the year	-	-	(71,922)	(71,922)
Foreign exchange movement	-	(73,505)	-	(73,505)
Other comprehensive income for the year	-	(73,505)	-	(73,505)
Total comprehensive income for the year	-	(73,505)	(71,922)	(145,427)
Dividends: Equity capital	-	-	(219,212)	(219,212)
At 1 January 2018	128	(237,626)	1,261,469	1,023,971
Comprehensive income for the year				
Profit for the year	-	-	260,060	260,060
Foreign exchange movement	-	(22,873)	-	(22,873)
Total comprehensive income for the year	-	(22,873)	260,060	237,187
Dividends: Equity capital	-	-	(213,871)	(213,871)
Total transactions with owners	-	-	(213,871)	(213,871)
At 31 December 2018	128	(260,499)	1,307,658	1,047,287

The notes on pages 16 to 36 form part of these financial statements.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	128	1,832,087	1,832,215
Comprehensive income for the year			
Profit for the year	-	151,574	151,574
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	151,574	151,574
Contributions by and distributions to owners			
Dividends: Equity capital	-	(219,212)	(219,212)
	<hr/>	<hr/>	<hr/>
At 1 January 2018	128	1,764,449	1,764,577
Comprehensive income for the year			
Profit for the year	-	238,068	238,068
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	238,068	238,068
Contributions by and distributions to owners			
Dividends: Equity capital	-	(213,871)	(213,871)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	(213,871)	(213,871)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	128	1,788,646	1,788,774

The notes on pages 16 to 36 form part of these financial statements.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit/(loss) for the financial year	260,060	(71,922)
Adjustments for:		
Amortisation of intangible assets	20,571	-
Depreciation of tangible assets	27,761	48,820
Loss on disposal of tangible assets	-	1,888
Interest paid	113,488	50,812
Interest received	-	(2,877)
Taxation charge	12,475	30,094
(Increase)/decrease in debtors	(2,277,425)	304,097
Increase in creditors	730,417	408,315
Corporation tax paid	(21,392)	(36,339)
Change in fair value of derivatives	(76,369)	(225,748)
Net cash generated from operating activities	<u>(1,210,414)</u>	<u>507,140</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(72,458)	-
Purchase of tangible fixed assets	(33,788)	(11,862)
Interest received	-	2,877
HP interest paid	(2,210)	(229)
Net cash from investing activities	<u>(108,456)</u>	<u>(9,214)</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Cash flows from financing activities		
Movement on finance lease obligations	126,960	(1,468)
Movements on invoice discounting	2,165,674	20,810
Dividends paid	(213,871)	(219,212)
Interest paid	(111,278)	(50,583)
Net cash used in financing activities	<u>1,967,485</u>	<u>(250,453)</u>
Net increase in cash and cash equivalents	<u>648,615</u>	<u>247,473</u>
Cash and cash equivalents at beginning of year	480,506	308,622
Foreign exchange losses	(22,873)	(75,589)
Cash and cash equivalents at the end of year	<u><u>1,106,248</u></u>	<u><u>480,506</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,106,248	480,506
	<u><u>1,106,248</u></u>	<u><u>480,506</u></u>

The notes on pages 16 to 36 form part of these financial statements.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Worldwide Recruitment Solutions Limited is a limited liability company incorporated in England. The registered office is HB House, Juniper Court Business Park, Scott Drive, Altrincham, Cheshire, WA15 8AB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.11 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	-	20% straight line
Office equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.16 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.17 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

During the year dividends of £213,871 (2017: (£219,212)) have been declared.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements the directors are required to make judgments and estimates. None are viewed as being significant or key.

4. Turnover

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	13,211,462	5,684,991
Europe	5,632,826	5,492,858
America	1,708,125	770,487
Africa	695,914	854,015
Middle and Far East	8,569,778	7,312,915
	<u>29,818,105</u>	<u>20,115,266</u>

5. Other operating income

	2018 £	2017 £
Other operating income	<u>60,252</u>	<u>42,038</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible assets	27,761	48,820
Amortisation of intangible assets	20,571	-
Other operating lease rentals	10,880	202,447
Changes in fair value of derivatives	(26,045)	225,748
	<u>27,167</u>	<u>277,015</u>

During the year the Group incurred exceptional costs of £230,000 (2017: £nil) in relation to the settlement of non-recurring employment tax related liabilities dating back a number of years.

7. Auditor's remuneration

	2018	2017
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>20,250</u>	<u>20,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
Audit-related assurance services	14,750	5,000
Taxation compliance services	3,600	10,000
	<u>18,350</u>	<u>15,000</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £	Group 2017 £
Wages and salaries	3,053,359	2,237,924
Social security costs	240,501	225,820
Cost of defined contribution scheme	23,022	8,975
	<u>3,316,882</u>	<u>2,472,719</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Sales	47	48
Administrative	12	12
Management	4	4
	<u>63</u>	<u>64</u>

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	219,799	161,008
Company contributions to defined contribution pension schemes	892	368
	<u>220,691</u>	<u>161,376</u>

During the year retirement benefits were accruing to 4 directors (2017 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £101,752 (2017 - £93,333).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £538 (2017 - £324).

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Interest receivable

	2018 £	2017 £
Other interest receivable	-	2,877
	<u>-</u>	<u>2,877</u>

11. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	12,595	10,420
Other loan interest payable	98,683	40,163
Finance leases and hire purchase contracts	2,210	229
	<u>113,488</u>	<u>50,812</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	85,111	43,784
	<u>85,111</u>	<u>43,784</u>
Double taxation relief	(85,111)	(43,784)
	<u>-</u>	<u>-</u>
Foreign tax		
Foreign tax on income for the year	42,575	35,783
Foreign tax in respect of prior periods	-	427
	<u>42,575</u>	<u>36,210</u>
Total current tax	<u>42,575</u>	<u>36,210</u>
Deferred tax		
Origination and reversal of timing differences	(30,100)	(6,116)
Total deferred tax	<u>(30,100)</u>	<u>(6,116)</u>
Taxation on profit on ordinary activities	<u>12,475</u>	<u>30,094</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	306,512	(41,828)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	58,237	(8,052)
Effects of:		
Expenses not deductible for tax purposes	4,821	1,790
Deferred tax not recognised	(348)	45,938
Change in tax rate	3,501	(825)
Other timing differences	(8,071)	1
Overseas tax differences	(45,665)	(8,758)
Total tax charge for the year	12,475	30,094

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 17% (effective from 1 April 2020) was substantively enacted in March 2016 and has therefore been considered when calculating deferred tax at the reporting date. Deferred tax balances at the reporting date are measured at 17% (2018: 17%).

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Intangible assets

Group

	Computer software £
Cost	
Additions	72,458
At 31 December 2018	<u>72,458</u>
Amortisation	
Charge for the year	20,571
At 31 December 2018	<u>20,571</u>
Net book value	
At 31 December 2018	<u>51,887</u>
At 31 December 2017	<u>-</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Intangible assets (continued)

Company

	Computer software £
Cost	
Additions	72,458
At 31 December 2018	<u>72,458</u>
Amortisation	
Charge for the year	20,571
At 31 December 2018	<u>20,571</u>
Net book value	
At 31 December 2018	<u>51,887</u>
At 31 December 2017	<u>-</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Tangible fixed assets**Group**

	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2018	31,714	295,101	326,815
Additions	-	33,788	33,788
At 31 December 2018	<u>31,714</u>	<u>328,889</u>	<u>360,603</u>
Depreciation			
At 1 January 2018	25,150	257,557	282,707
Charge for the year on owned assets	3,292	24,469	27,761
At 31 December 2018	<u>28,442</u>	<u>282,026</u>	<u>310,468</u>
Net book value			
At 31 December 2018	<u>3,272</u>	<u>46,863</u>	<u>50,135</u>
At 31 December 2017	<u>6,564</u>	<u>37,544</u>	<u>44,108</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Tangible fixed assets (continued)**Company**

	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2018	33,602	281,925	315,527
Additions	-	21,548	21,548
At 31 December 2018	<u>33,602</u>	<u>303,473</u>	<u>337,075</u>
Depreciation			
At 1 January 2018	25,590	251,059	276,649
Charge for the year on owned assets	3,292	17,702	20,994
At 31 December 2018	<u>28,882</u>	<u>268,761</u>	<u>297,643</u>
Net book value			
At 31 December 2018	<u>4,720</u>	<u>34,712</u>	<u>39,432</u>
At 31 December 2017	<u>8,012</u>	<u>30,866</u>	<u>38,878</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Equipment	-	4,377
	<u>-</u>	<u>4,377</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Fixed asset investments

Company

	Subsidiaries £
Cost	
At 1 January 2018	13,971
Net book value	
At 31 December 2018	<u>13,971</u>
At 31 December 2017	<u>13,971</u>

The Company owns 100% of the share capital of Worldwide Recruitment Solutions (Singapore) Pte, a company registered in Singapore.

16. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Amounts owed by group undertakings	-	-	1,195,111	1,077,306
	<u>-</u>	<u>-</u>	<u>1,195,111</u>	<u>1,077,306</u>
	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	4,724,335	3,251,837	4,352,658	3,065,284
Other debtors	526,685	289,022	492,338	286,821
Prepayments and accrued income	1,441,193	873,929	1,370,361	753,809
Deferred taxation	23,992	-	23,992	-
	<u>6,716,205</u>	<u>4,414,788</u>	<u>6,239,349</u>	<u>4,105,914</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

17. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	1,106,248	480,506	982,859	294,994
	<u>1,106,248</u>	<u>480,506</u>	<u>982,859</u>	<u>294,994</u>

18. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	1,139,909	636,162	1,125,386	615,327
Corporation tax	40,831	19,648	40,831	19,648
Other taxation and social security	32,565	103,534	14,191	88,655
Obligations under finance lease and hire purchase contracts	136,159	9,199	136,159	9,199
Proceeds of factored debts	3,546,255	1,380,581	3,546,255	1,380,581
Other creditors	1,324,578	1,050,260	1,309,652	1,046,297
Accruals and deferred income	656,891	633,570	561,361	524,302
Financial instruments	-	76,369	-	76,369
	<u>6,877,188</u>	<u>3,909,323</u>	<u>6,733,835</u>	<u>3,760,378</u>

The Company has an invoice discounting arrangement 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 2018, the value of the facility secured was £3,546,255 (2017: £1,380,581).

Obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets measured at fair value through profit or loss	813,899	197,677	690,310	12,165
Financial assets that are debt instruments measured at amortised cost	5,251,020	3,540,859	4,844,996	3,352,105
	<u>6,064,919</u>	<u>3,738,536</u>	<u>5,535,306</u>	<u>3,364,270</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(5,820,595)	(2,793,373)	(5,791,126)	(2,768,575)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise bank borrowings, trade creditors, other creditors and obligations under finance lease and hire purchase contracts.

20. Deferred taxation**Group**

	2018 £	2017 £
At beginning of year	(6,108)	(6,108)
Charged to profit or loss	30,100	-
At end of year	<u>23,992</u>	<u>(6,108)</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

20. Deferred taxation (continued)

Company

	2018	2017
	£	£
At beginning of year	(6,108)	(6,108)
Charged to profit or loss	30,100	-
At end of year	23,992	(6,108)

	Group	Group	Company	Company
	2018	2017	2018	2017
	£	£	£	£
Accelerated capital allowances	(15,108)	(6,108)	(15,108)	(6,108)
Short term timing differences	39,100	-	39,100	-
	23,992	(6,108)	23,992	(6,108)

21. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
200 (2017 - 200) Ordinary shares of £0.01 each	2	2
5,000 (2017 - 5,000) Ordinary B shares of £0.01 each	50	50
2,300 (2017 - 2,300) Ordinary C shares of £0.01 each	23	23
2,600 (2017 - 2,600) Ordinary D shares of £0.01 each	26	26
2,700 (2017 - 2,700) Ordinary E shares of £0.01 each	27	27
	128	128

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, Ordinary B, Ordinary C shares fall below 59% whereupon the first 59% of dividends or return of capital shall be distributed equally amongst the Ordinary, Ordinary B and Ordinary C shares (as if they were one class) and shall have 59% of the votes.

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

22. Reserves**Foreign exchange reserve**

Comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling.

Profit & loss account

Includes all current and prior period retained profits and losses.

23. Share based payments

The Group has a number of historical share based payment arrangements which are not viewed as being significant to the financial statements. Expenses of £nil (2017: £nil) have been recognised and no options (2017: nil) were granted during the year.

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £23,022 (2017 - £8,975).

25. Commitments under operating leases

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	133,636	200,423
Later than 1 year and not later than 5 years	27,017	160,659
	<u>160,653</u>	<u>361,082</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

26. Related party transactions

During the year the Company entered transactions with key management personnel in the year was £229,474 (2017: £203,732). Dividends were paid to the directors of £213,871 (2017: £219,212).

The following balances were (owed to)/owed by related parties:

	2018 £	2017 £
M Brown	108,276	89,578
D Ward	14,581	6,288
L Brown	45,021	45,021
F Dunleavy	(137,897)	(139,721)
J Brown	(300,000)	(300,000)
	<u>(270,019)</u>	<u>(298,834)</u>

27. Post balance sheet events

In August 2019, the Directors completed the sale of the trade and assets of the construction division of Worldwide Recruitment Solutions Limited for an undisclosed sum. The directors do not consider the discontinued operation to be material to these accounts. Following the upturn of activity in the Group's core maritime, energy and mining sectors, the construction division was viewed to be none-core.

After the year end, the Company declared £86,400 additional dividends.

28. Controlling party

There is not viewed as being one single controlling party.

Worldwide Recruitment Solutions Limited

Management information

For the year ended 31 December 2018

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**COMPANY DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover		27,279,973	18,916,413
Cost Of Sales		(23,031,669)	(15,820,656)
Gross profit		<u>4,248,304</u>	<u>3,095,757</u>
Gross profit %		15.6 %	16.4 %
Other operating income		57,800	39,863
Less: overheads			
Administration expenses		(3,945,202)	(2,936,208)
Operating profit		<u>360,902</u>	<u>199,412</u>
Interest payable		(113,488)	(50,812)
Tax on profit/(loss) on ordinary activities		(9,346)	2,974
Profit for the year		<u>238,068</u>	<u>151,574</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	£	£
Turnover		
Sales	10,673,196	4,486,138
Europe	5,632,826	5,492,858
America	1,708,125	770,487
Africa	695,914	854,015
Middle and Far East	8,569,778	7,312,915
Other income - Domestic	134	-
	<u>27,279,973</u>	<u>18,916,413</u>
	<u><u>27,279,973</u></u>	<u><u>18,916,413</u></u>
	2018	2017
	£	£
Cost of sales		
Direct manufacturing costs	23,031,669	15,820,656
	<u>23,031,669</u>	<u>15,820,656</u>
	<u><u>23,031,669</u></u>	<u><u>15,820,656</u></u>
	2018	2017
	£	£
Other operating income		
Other operating income	57,800	39,863
	<u>57,800</u>	<u>39,863</u>
	<u><u>57,800</u></u>	<u><u>39,863</u></u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	£	£
Administration expenses		
Directors salaries	219,799	161,008
Directors pension costs - money purchase schemes	892	368
Staff salaries	2,181,688	1,584,747
Staff national insurance	240,501	225,820
Staff pension costs - money purchase schemes	22,130	8,607
Staff training	6,137	5,208
Staff welfare	12,001	2,706
Motor running costs	657	448
Motor vehicle leasing (operational)	10,880	9,529
Entertainment	46,183	16,948
Hotels, travel and subsistence	44,499	49,001
Consultancy	21,822	26,990
Printing and stationery	6,071	4,172
Postage	5,003	3,464
Telephone and fax	50,762	37,660
Computer costs	81,026	80,992
General office expenses	8,765	1,945
Advertising and promotion	17,568	4,987
Trade subscriptions	178,648	108,296
Charity donations	(119)	-
Legal and professional	37,785	36,573
Accountancy fees	24,188	36,945
Equipment hire	5,834	2,415
Bank charges	59,211	48,433
Bad debts	5,147	(29,891)
Sundry expenses	58,023	146,110
Rent - non-operating leases	108,005	112,069
Rates	45,240	52,193
Water	1,330	4,189
Light and heat	14,052	17,271
Cleaning	22,988	22,867
Insurances	125,893	96,702
Repairs and maintenance	11,027	11,886
Depreciation - fixtures & fittings	41,566	45,550
Admin - exceptional (on face of P&L a/c)	230,000	-
	<u>3,945,202</u>	<u>2,936,208</u>

WORLDWIDE RECRUITMENT SOLUTIONS LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	£	£
Interest payable		
Bank overdraft interest payable	(12,595)	(10,420)
Other loan interest payable	(98,683)	(40,163)
Hire purchase interest payable	2,210	229
	<u>113,488</u>	<u>50,812</u>
