

Registered number: 03121740

SWAN STAFF RECRUITMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2017

SATURDAY



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SWAN STAFF RECRUITMENT LIMITED
COMPANY INFORMATION

Directors	Z. W. Bristow S. J. Rogers C. F. Sanderson (resigned 26 July 2016)
Registered number	03121740
Registered office	Lakeview West Galleon Boulevard Crossways Business Park Dartford Kent DA2 6QE
Independent auditors	Creaseys Group Limited Chartered Accountants & Statutory Auditors Brockbourne House 77 Mount Ephraim Tunbridge Wells Kent TN4 8BS

SWAN STAFF RECRUITMENT LIMITED

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SWAN STAFF RECRUITMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

Introduction

The directors present their strategic report for the year ended 31st March 2017.

Business review

The Company's principal activity is to provide temporary and permanent recruitment services that support the needs of its clients, in a cost effective way, ensuring high standards of quality are maintained at all times.

The strategy of the business during the year focused on creating an improved mix of revenue streams. The business saw growth in its higher margin permanent placement segment, and the ongoing strategy is to continue this improvement into future years.

Overall, whilst revenue didn't show a growth, quality of revenue improvements resulted in growth in gross margin overall of 12.35%.

As the company has grown, the Directors have improved accounting and financial control consistent with a growing business. As a result of a new financial management organisation structure, improvements have been made to accounting procedure and policy adopted by the company, the impact of which have been reflected in the current year financial figures.

Principal risks and uncertainties

The need to ensure adequate working capital funding as the company looks to grow existing elements of the business as well as delivering on its longer term growth strategy remains a key risk if the business is to achieve its longer term strategic goals. Whilst the Directors will look to mitigate this risk through organic means, external funding will continue to be a necessity.

Competitive pressures are an ongoing risk and the company looks to ensure clients choose to work with us not only through our efficient pricing strategy, but also because of our quality of service.

Financial key performance indicators

The business focuses on gross margins, which grew year on year from 25.9% (2016) to 30.9% (2017).

This report was approved by the board and signed on its behalf.


.....
S. J. Rogers
Director

Date: 3/7/17

SWAN STAFF RECRUITMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the 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 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £300,093 (2016: £7,681).

Dividends of £100,000 (2016: £276,000) were paid during the year.

Directors

The directors who served during the year were:

Z. W. Bristow
S. J. Rogers
C. F. Sanderson (resigned 26 July 2016)

Future developments

There are no future developments affecting the company.

SWAN STAFF RECRUITMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

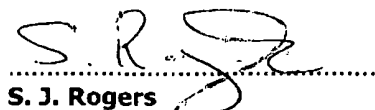
Post balance sheet events

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

Auditors

The auditors, Creaseys Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....

S. J. Rogers
Director

Date: 3/7/17

SWAN STAFF RECRUITMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SWAN STAFF RECRUITMENT LIMITED

We have audited the financial statements of Swan Staff Recruitment Limited for the year ended 31 March 2017, set out on pages 6 to 28. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 2, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit or 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 matter 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

SWAN STAFF RECRUITMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SWAN STAFF RECRUITMENT LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

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

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



James Pearce BA (Hons) FCA (Senior statutory auditor)

for and on behalf of
Creaseys Group Limited

Chartered Accountants
Statutory Auditors

Brockbourne House
77 Mount Ephraim
Tunbridge Wells
Kent
TN4 8BS

Date: 4/7/17

SWAN STAFF RECRUITMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	4	18,357,073	19,476,099
Cost of sales		(12,685,116)	(14,427,432)
Gross profit		5,671,957	5,048,667
Administrative expenses		(5,394,543)	(5,048,132)
Other operating income	5	119,098	42,498
Fair value movements		34,169	14,939
Operating profit	6	430,681	57,972
Income from fixed assets investments		-	2,394
Interest receivable and similar income	11	-	7,500
Interest payable and expenses	12	(69,088)	(60,185)
Tax on profit	13	(61,500)	-
Profit for the financial year		300,093	7,681

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £NIL).

The above amounts relate to continuing operations.


The notes on pages 11 to 28 form part of these financial statements.

SWAN STAFF RECRUITMENT LIMITED
REGISTERED NUMBER:03121740

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	15	35,000	35,000
Tangible assets	16	1,620,844	1,548,230
Investment property	17	145,881	135,000
		<u>1,801,725</u>	<u>1,718,230</u>
Current assets			
Stocks		12,350	-
Debtors: amounts falling due after more than one year	18	121,255	121,255
Debtors: amounts falling due within one year	18	3,509,439	3,509,103
Current asset investments	19	50,450	74,117
Cash at bank and in hand	20	63,925	211,357
		<u>3,757,419</u>	<u>3,915,832</u>
Creditors: amounts falling due within one year	21	(4,323,682)	(4,248,780)
Net current liabilities		<u>(566,263)</u>	<u>(332,948)</u>
Total assets less current liabilities		<u>1,235,462</u>	<u>1,385,282</u>
Creditors: amounts falling due after more than one year	22	(541,875)	(891,788)
Provisions for liabilities			
Deferred tax	26	(93,232)	(93,232)
		<u>(93,232)</u>	<u>(93,232)</u>
Net assets		<u><u>600,355</u></u>	<u><u>400,262</u></u>
Capital and reserves			
Called up share capital	27	100	100
Profit and loss account	28	600,255	400,162
		<u>600,355</u>	<u>400,262</u>

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


 S. J. Rogers

Director

Date: 3/7/17

The notes on pages 11 to 28 form part of these financial statements.

SWAN STAFF RECRUITMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015 (as previously stated)	100	810,886	810,986
Prior year adjustment	-	(142,405)	(142,405)
	<u>100</u>	<u>668,481</u>	<u>668,581</u>
At 1 April 2015 (as restated)			
Comprehensive income for the year			
Profit for the year	-	7,681	7,681
Total comprehensive income for the year	-	7,681	7,681
Dividends: Equity capital	-	(276,000)	(276,000)
Total transactions with owners	-	(276,000)	(276,000)
At 1 April 2016	100	400,162	400,262
Comprehensive income for the year			
Profit for the year	-	300,093	300,093
Total comprehensive income for the year	-	300,093	300,093
Dividends: Equity capital	-	(100,000)	(100,000)
Total transactions with owners	-	(100,000)	(100,000)
At 31 March 2017	<u>100</u>	<u>600,255</u>	<u>600,355</u>

SWAN STAFF RECRUITMENT LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	300,093	7,681
Adjustments for:		
Amortisation of intangible assets	-	20,000
Depreciation of tangible assets	180,835	193,782
Loss on disposal of tangible assets	4,993	4,015
Interest paid	69,088	60,185
Interest received	-	(9,894)
Taxation charge	61,500	(84,883)
(Increase)/decrease in stocks	(12,350)	-
(Increase)/decrease in debtors	(13,471)	142,084
Increase/(decrease) in creditors	433,671	(20,299)
Net fair value (gains) recognised in P&L	(34,169)	(14,939)
Corporation tax received	85,000	-
Net cash generated from operating activities	<u>1,075,190</u>	<u>297,732</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(246,188)	(286,742)
Sale of tangible fixed assets	11,030	-
Sale of short term listed investments	23,667	-
Interest received	-	7,500
HP interest paid	(46,079)	(49,182)
Dividends received	-	2,394
Net cash from investing activities	<u>(257,570)</u>	<u>(326,030)</u>

SWAN STAFF RECRUITMENT LIMITED

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Cash flows from financing activities		
New secured loans	-	750,000
Repayment of loans	(454,419)	(97,792)
Repayment of/new finance leases	(190,019)	(217,915)
Movements on invoice discounting	(197,605)	(41,283)
Dividends paid	(100,000)	(276,000)
Interest paid	(23,009)	(11,003)
Net cash used in financing activities	<u>(965,052)</u>	<u>106,007</u>
Net (decrease)/increase in cash and cash equivalents	(147,432)	77,709
Cash and cash equivalents at beginning of year	211,357	133,648
Cash and cash equivalents at the end of year	<u>63,925</u>	<u>211,357</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>63,925</u>	<u>211,357</u>

The notes on pages 11 to 28 form part of these financial statements.

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Swan Staff Recruitment Limited is a limited company domiciled and incorporated in England and Wales.

The address of its registered office and the company's place of business is Lakeview West Galleon Boulevard, Crossways Business Park, Dartford, DA2 6QE.

The company's principal activity is that of the provision of recruitment services.

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.

Monetary amounts in these financial statements are stated in pounds sterling and are rounded to the nearest whole £1, except where otherwise indicated.

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

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

Specifically, revenue from the placement of temporary agency staff at clients' businesses is recognised on a weekly basis, when clients are invoiced. At the balance sheet date, accrued or deferred income is recognised as necessary to reflect the revenue which has been earned to that point.

Revenue from the placement of permanent staff at clients' businesses is recognised on the date on which the placement is contractually irrevocable.

Revenue from family contact service centres is recognised on a quarterly basis, when invoices are raised to local authorities in accordance with the contractual agreements.

2.3 Going concern

The directors consider that the Company is a going concern and the Company has adequate resources to continue operational existence for the foreseeable future. In order to ensure this, the Company has focussed on repaying debt in order to reorganise the financing structure of the Company along with identifying cost savings. As a result of this, there is sufficient working capital within the business to support the trade.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other 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.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.5 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 both the straight line basis and reducing balance basis as reflected in the table below.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line basis
Plant and machinery	- 8% reducing balance basis
Motor vehicles	- 15% reducing balance basis
Fixtures and fittings	- 10% reducing balance basis
Office equipment	- 15% reducing balance basis

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 Statement of comprehensive income.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.7 Stocks

Stocks relate to ancillary office supplies to be used over the course of the year by office administrators. Stock is valued at the lower of cost and net realisable value, however is not held for resale.

2.8 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.

2.9 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 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 Company's cash management.

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instruments 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 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 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 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 Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

2.11 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.

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the 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.

2.13 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.14 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.16 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.17 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.18 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 balance sheet date.

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	2017	2016
	£	£
Other operating income	74,080	-
Rents receivable	45,018	42,498
	<u>119,098</u>	<u>42,498</u>

6. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	180,835	193,782
Amortisation of intangible assets, including goodwill	-	20,000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	17,067	12,088
Other operating lease rentals	604,934	512,395
Defined contribution pension cost	37,825	35,890
	<u>839,691</u>	<u>774,155</u>

7. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	17,236	12,088
	<u>17,236</u>	<u>12,088</u>
Fees payable to the Company's auditor in respect of:		
All other services	4,478	3,979
	<u>4,478</u>	<u>3,979</u>

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

8. Employees

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

	2017	2016
	£	£
Wages and salaries	2,969,298	2,699,744
Social security costs	231,889	228,058
Cost of defined contribution scheme	22,165	26,969
	<u>3,223,352</u>	<u>2,954,771</u>

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

	2017	2016
	No.	No.
Directors	2	4
Administrative	38	29
Productive	99	94
	<u>139</u>	<u>127</u>

9. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	184,829	242,784
Company contributions to defined contribution pension schemes	2,171	1,286
	<u>187,000</u>	<u>244,070</u>

During the year retirement benefits were accruing to 2 directors (2016: 2) in respect of defined contribution pension schemes.

10. Income from investments

	2017	2016
	£	£
Income from current asset investments	-	2,394

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

11. Interest receivable

	2017	2016
	£	£
Other interest receivable	-	7,500

12. Interest payable and similar charges

	2017	2016
	£	£
Bank interest payable	23,009	11,003
Finance leases and hire purchase contracts	46,079	49,182
	<u>69,088</u>	<u>60,185</u>

13. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	<u>61,500</u>	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	<u>361,592</u>	<u>7,682</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	72,319	-
Effects of:		
Adjust closing deferred tax to average rate of 20.00%	(21,085)	-
Adjust opening deferred tax to average rate of 20.00%	13,901	-
Deferred tax not recognised	34,362	-
Adjustments to tax charge in respect of previous periods	(40,749)	-
Other differences leading to an increase (decrease) in the tax charge	2,752	-
Total tax charge for the year	<u>61,500</u>	<u>-</u>

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

13. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

14. Dividends

	2017 £	2016 £
Dividends paid	100,000	276,000

15. Intangible assets

	Goodwill £
Cost	
At 1 April 2016	200,000
At 31 March 2017	200,000
Amortisation	
At 1 April 2016	165,000
At 31 March 2017	165,000
Net book value	
At 31 March 2017	35,000
At 31 March 2016	35,000

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

16. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
Cost or valuation				
At 1 April 2016	274,562	160,000	390,275	784,079
Additions	-	6,479	97,974	78,211
Disposals	-	-	(38,910)	-
Revaluations	23,288	-	-	-
At 31 March 2017	<u>297,850</u>	<u>166,479</u>	<u>449,339</u>	<u>862,290</u>
Depreciation				
At 1 April 2016	15,673	18,591	147,208	116,792
Charge for the year on owned assets	7,878	-	10,734	28,787
Charge for the year on financed assets	-	11,831	33,483	45,271
Disposals	-	-	(22,887)	-
At 31 March 2017	<u>23,551</u>	<u>30,422</u>	<u>168,538</u>	<u>190,850</u>
Net book value				
At 31 March 2017	<u>274,299</u>	<u>136,057</u>	<u>280,801</u>	<u>671,440</u>
At 31 March 2016	<u>258,890</u>	<u>141,409</u>	<u>243,067</u>	<u>667,287</u>

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

16. Tangible fixed assets (continued)

	Office equipment £	Total £
Cost or valuation		
At 1 April 2016	422,041	2,030,957
Additions	63,523	246,187
Disposals	-	(38,910)
Revaluations	-	23,288
At 31 March 2017	<u>485,564</u>	<u>2,261,522</u>
Depreciation		
At 1 April 2016	184,466	482,730
Charge for the year on owned assets	42,851	90,250
Charge for the year on financed assets	-	90,585
Disposals	-	(22,887)
At 31 March 2017	<u>227,317</u>	<u>640,678</u>
Net book value		
At 31 March 2017	<u>258,247</u>	<u>1,620,844</u>
At 31 March 2016	<u>237,575</u>	<u>1,548,228</u>

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

	2017 £	2016 £
Plant and machinery	136,057	141,409
Motor vehicles	220,827	188,619
Furniture, fittings and equipment	407,441	452,712
	<u>764,325</u>	<u>782,740</u>

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

17. Investment property

	Freehold investment property £
Valuation	
At 1 April 2016	135,000
Surplus on revaluation	10,881
At 31 March 2017	145,881

The 2017 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	123,794	123,794

18. Debtors

	2017 £	2016 £
Due after more than one year		
Other debtors	121,255	121,255
Due within one year		
Trade debtors	2,615,118	2,838,773
Other debtors	404,086	279,831
Prepayments and accrued income	418,039	305,617
Tax recoverable	72,196	84,883
	3,509,439	3,509,104

Trade debtors totalling £2,586,177 (2016: £2,804,801) are subject to an invoice discounting agreement.

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

19. Current asset investments

	2017	2016
	£	£
Opening fair value	74,117	70,384
Sales	(23,667)	-
Gains on remeasurement to fair value	-	3,733
Market value	<u>50,450</u>	<u>74,117</u>

20. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	<u>63,925</u>	<u>211,357</u>

21. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Bank loans	211,672	453,945
Trade creditors	276,841	309,904
Corporation tax	133,364	-
Other taxation and social security	587,914	449,567
Obligations under finance lease and hire purchase contracts	193,510	245,763
Proceeds of factored debts	2,261,818	2,459,423
Other creditors	54,979	112,453
Accruals and deferred income	603,584	217,723
	<u>4,323,682</u>	<u>4,248,778</u>

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

22. Creditors: Amounts falling due after more than one year

	2017	2016
	£	£
Bank loans	472,181	684,327
Net obligations under finance leases and hire purchase contracts	69,694	207,461
	<u>541,875</u>	<u>891,788</u>

Secured loans

Bank loans and overdrafts, which include the invoice discounting facility, are secured by: a Fixed Charge over all present freehold and leasehold property; a First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and a First Floating Charge over all assets and undertaking both present and future.

Hire purchase contracts are secured on the assets concerned.

23. Loans

Analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year	211,672	453,945
Amounts falling due 1-2 years	472,181	282,829
Amounts falling due 2-5 years	-	401,498
	<u>683,853</u>	<u>1,138,272</u>

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017	2016
	£	£
Within one year	245,763	249,675
Between 1-2 years	175,537	297,327
Between 2-5 years	31,924	124,137
	<u>453,224</u>	<u>671,139</u>

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

25. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	114,375	285,474
Financial assets that are debt instruments measured at amortised cost	3,412,127	3,239,860
	<u>3,526,502</u>	<u>3,525,334</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,199,739)</u>	<u>(1,747,095)</u>

Financial assets measured at fair value through profit or loss comprise of cash and bank balances as well as investments.

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

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

26. Deferred taxation

	2017 £
At beginning of year	(93,232)
At end of year	<u>(93,232)</u>
	2017 £
Accelerated capital allowances	<u>(93,232)</u>
	<u>(93,232)</u>

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

27. Share capital

	2017	2016
	£	£
Shares classified as equity		
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

28. Reserves

Profit and loss account

The cumulative profit and loss, net of distributions to owners.

29. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £22,165 (2016: £26,969). Contributions totalling £14,596 (2016: £23,228) were payable to the fund at the balance sheet date and are included in creditors.

30. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Commitments in respect of leases of land and buildings		
Not later than 1 year	350,575	402,744
Later than 1 year and not later than 5 years	710,270	1,013,970
	<u>1,060,845</u>	<u>1,416,714</u>
	2017	2016
	£	£
Commitments in respect of other operating leases		
Not later than 1 year	4,408	3,240
Later than 1 year and not later than 5 years	10,839	10,575
	<u>15,247</u>	<u>13,815</u>

SWAN STAFF RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

31. Transactions with directors

In addition to the securities detailed in the creditors notes, S. J. Rogers has provided a personal guarantee in respect of the company's invoice discounting facility.

32. Related party transactions

All directors who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration in respect of these individuals is £187,000 (2016: £242,784).

At the year-end, £369,059 was owed to the Company by S. J. Rogers, a director (2016: £239,465).

During the year dividends of £100,000 (2016: £276,000) were paid to the Rogers family.

33. Controlling party

The ultimate controlling party is S. J. Rogers due to his majority shareholding in the company.