

Registered number: 08067630

G2V RECRUITMENT GROUP LIMITED**ANNUAL REPORT AND FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2018**

MONDAY



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G2V RECRUITMENT GROUP LIMITED

COMPANY INFORMATION

Directors	J A Gorfin S J Gillings C W Martin
Registered number	08067630
Registered office	100 Gray's Inn Road London WC1X 8AL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Glass Wharf Bristol BS2 0EL
Solicitors	Pannone LLP 123 Deansgate Manchester M3 2BU

G2V RECRUITMENT GROUP LIMITED

CONTENTS

	Page
Group strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Consolidated statement of comprehensive income	8
Consolidated statement of financial position	9
Company statement of financial position	10 - 11
Consolidated statement of changes in equity	12
Company statement of changes in equity	13
Consolidated Statement of cash flows	14 - 15
Notes to the financial statements	16 - 40

G2V RECRUITMENT GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The directors present the group strategic report for the year ended 31 March 2018.

Business review

In 2018 the underlying performance and expenditure was in accordance with our strategic plan.

Revenues in 2018, when compared with 2017, were up £7.7m at £62.1m (FY17 £54.4m) and Profit before Tax for the Financial Year up £1.6m at £2.8m (FY17 £1.2m). Further, we are pleased that as planned we have delivered a significant increase in Gross Profit Margins, up 3.0% at 26.1% (FY17 23.1%), through better contract margins and additional permanent business, as we continued to develop the quality of the services we provide. The increases in Revenue and improved Gross Margin resulted in a significant growth in our Gross Profit, which was up £3.7m (29.3%) at £16.2m (FY17 £12.5m).

We have continued to invest in our infrastructure and support functions to ensure that the business is both efficient and scalable, which included a new Head Office in London, with capital expenditure up £0.25m (100%) at £0.5m (FY17 £0.25m). It is pleasing to note that Administrative Expenses as a percentage of Gross Profit dropped in FY18 to 82.6% (FY17 90.6%). We further increased our investment in Sales, with recruitment of sales consultants up 11 to 111 (FY17 100), and additional training, which underpinned the improvement in productivity.

Revenues and Margins were up across G2V. Whilst remaining mindful of the needs of and the opportunities offered by our core UK business, given the investment and resources that have been allocated in our other markets, it is pleasing to note in particular the exceptional growth of £2m (280%) to £3.1m (FY17 £1.1m) in the Rest of the World, which is principally due to growth in our USA business; coupled with strong growth of £2.3m (24%) to £12.4m (FY17 £10.1m) across Europe.

We continued to strengthen our Balance Sheet with Net Assets up £1.7m at £6.5m (FY17 £4.8m), Trade Debtors increasing in proportion with our revenue growth, up £1.4m at £7.7m (FY17 6.3m), Cash at Bank of £1.1m (FY17 £0.5m) and zero borrowing against our RBS Invoice Financing facility.

On 1st July 2017 the Company transferred (Hived-up) the Trade, Assets and Liabilities from Vivid Resourcing Limited, Vivid Resourcing International Limited, G2 Recruitment Solutions Limited, G2 Recruitment Solutions International Limited and AC Resourcing Limited, which were collectively the trading businesses of G2V in the UK, to G2V Recruitment Group Limited (parent company). The Assets and Liabilities were transferred at their carrying values at the date of transfer. These accounting changes have, as expected, had no adverse effect on the trading performance of the Brands, and the Group overall has benefited from improvements in efficiency and scalability, with the associated reduction in administrative costs.

We are delighted with our progress over the past twelve months, progress which has continued into 2018 and remains in accordance with our strategic plans.

Principal risks and uncertainties

The performance of the group has some dependence on the economies of the countries in which it operates and the impacts this has on client confidence.

The risk is mitigated by maintaining an appropriate balance of contract and permanent recruitment, expanding into new sectors and increasing our geographic exposure.

Client insolvency continues to be a risk which the group mitigates by ensuring we work with a broad range of numerous clients so that we are not dependent on any single key client and further that we have the necessary credit insurance.

G2V RECRUITMENT GROUP LIMITED

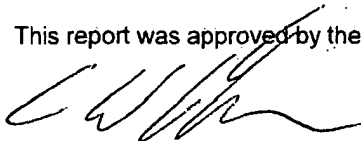
**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Financial key performance indicators

The primary key performance indicators used by the directors includes the number of contract runners utilised by the business, the margin achieved on those contracts, the number of permanent placements, the fees for these placements and consultant productivity.

In 2018 the number of contract runners was up on 2017 as was the quality of the customers and the strength of the margins, coupled with a significant increase in permanent placements at larger fees.

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



C W Martin

Director

Date: 21 December 2018

G2V RECRUITMENT GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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

Results and dividends

The profit for the year, after taxation, amounted to £2,195,828 (2017: £918,845).

Dividends of £530,000 were paid during the year. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

J A Gorfin
S J Gillings
C W Martin

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Future developments

Given our clear strategy and the significant investment in 2017/18, we are confident that over the next 12 months the group will grow both in the UK and Overseas.

G2V RECRUITMENT GROUP LIMITED

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

Post balance sheet events

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

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.

Auditor

The auditor, Grant Thornton UK LLP, 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.



C W Martin

Director

Date: 21 December 2018



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF G2V RECRUITMENT GROUP LIMITED

Opinion

We have audited the financial statements of G2V Recruitment Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2018, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statement of changes in equity, the Consolidated Statement of cash flows and the related notes, 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 Financial Reporting Standard 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's and of the parent Company's affairs as at 31 March 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Who we are reporting to

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.

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 or the 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF G2V RECRUITMENT GROUP LIMITED
(CONTINUED)**

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 Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by the Companies Act 2006

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

Matters on which we are required to report by exception

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; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF G2V RECRUITMENT GROUP LIMITED
(CONTINUED)**

Responsibilities of directors for the financial statements

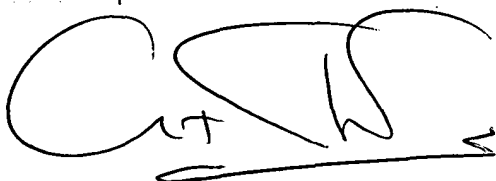
As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the 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 the 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 either intend to liquidate the Group or the 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.



Timothy Lincoln BA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol

21 December 2018

G2V RECRUITMENT GROUP LIMITED

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

	Note	2018 £	2017 £
Turnover	4	62,096,389	54,355,159
Cost of sales		(45,874,245)	(41,812,398)
Gross profit		16,222,144	12,542,761
Administrative expenses		(13,400,991)	(11,363,682)
Other operating income	5	23,212	52,957
Operating profit	6	2,844,365	1,232,036
Interest receivable and similar income	10	-	1,629
Interest payable and expenses	11	(83,100)	(80,192)
Profit before taxation		2,761,265	1,153,473
Tax on profit	12	(565,437)	(234,628)
Profit for the financial year		2,195,828	918,845
Currency translation differences		38,454	746
Other comprehensive income for the year		38,454	746
Total comprehensive income for the year		2,234,282	919,591
Profit for the year attributable to:			
Owners of the parent Company		2,195,828	918,845
		2,195,828	918,845
Total comprehensive income for the year attributable to:			
Owners of the parent Company		2,234,282	919,591
		2,234,282	919,591

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

The notes on pages 16 to 40 form part of these financial statements.

G2V RECRUITMENT GROUP LIMITED
REGISTERED NUMBER:08067630

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	14	266,436	(19,499)
Tangible assets	15	612,278	641,604
		<u>878,714</u>	<u>622,105</u>
Current assets			
Debtors: amounts falling due within one year	18	10,701,196	8,848,641
Cash at bank and in hand	19	1,139,392	512,763
		<u>11,840,588</u>	<u>9,361,404</u>
Creditors: amounts falling due within one year	20	(5,953,664)	(4,588,246)
Net current assets		<u>5,886,924</u>	<u>4,773,158</u>
Total assets less current liabilities		<u>6,765,638</u>	<u>5,395,263</u>
Provisions for liabilities			
Deferred taxation	22	(62,476)	(66,862)
Other provisions	23	(251,279)	(581,000)
		<u>(313,755)</u>	<u>(647,862)</u>
Net assets		<u><u>6,451,883</u></u>	<u><u>4,747,401</u></u>
Capital and reserves			
Called up share capital	24	35,561	35,361
Capital redemption reserve	25	16,587	16,587
Foreign exchange reserve	25	(9,526)	(47,980)
Other reserves	25	(47,442)	(47,442)
Profit and loss account	25	6,456,703	4,790,875
		<u><u>6,451,883</u></u>	<u><u>4,747,401</u></u>

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


C W Martin

Director

Date: 21 December 2018

The notes on pages 16 to 40 form part of these financial statements.

G2V RECRUITMENT GROUP LIMITED
REGISTERED NUMBER: 08067630

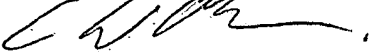
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	14	272,778	-
Tangible assets	15	594,744	-
Investments	16	57,550	57,550
		<u>925,072</u>	<u>57,550</u>
Current assets			
Debtors: amounts falling due within one year	18	14,250,255	187,888
Cash at bank and in hand	19	976,436	93
		<u>15,226,691</u>	<u>187,981</u>
Creditors: amounts falling due within one year	20	(14,625,717)	(225)
Net current assets		<u>600,974</u>	<u>187,756</u>
Total assets less current liabilities		<u>1,526,046</u>	<u>245,306</u>
Provisions for liabilities			
Deferred taxation	22	(62,476)	-
Other provisions	23	(213,565)	-
		<u>(276,041)</u>	<u>-</u>
Net assets		<u>1,250,005</u>	<u>245,306</u>
Capital and reserves			
Called up share capital	24	35,561	35,361
Capital redemption reserve	25	16,587	16,587
Profit and loss account brought forward		193,358	182,901
Profit for the year		1,534,499	2,751,457
Other changes in the profit and loss account		(530,000)	(2,741,000)
		<u>1,197,857</u>	<u>193,358</u>
Profit and loss account carried forward		<u>1,250,005</u>	<u>245,306</u>

G2V RECRUITMENT GROUP LIMITED
REGISTERED NUMBER:08067630

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2018

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



C W Martin

Director

Date: 21 December 2018

The notes on pages 16 to 40 form part of these financial statements.

G2V RECRUITMENT GROUP LIMITED

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

	Called up share capital £	Capital redemption reserve £	Foreign exchange reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2016	51,948	-	(48,726)	(47,442)	6,613,030	6,568,810
Profit for the year	-	-	-	-	918,845	918,845
Currency translation differences	-	-	746	-	-	746
Purchase of Own Shares	(16,587)	16,587	-	-	(2,741,000)	(2,741,000)
At 1 April 2017	35,361	16,587	(47,980)	(47,442)	4,790,875	4,747,401
Profit for the year	-	-	-	-	2,195,828	2,195,828
Currency translation differences	-	-	38,454	-	-	38,454
Dividends: Equity capital	-	-	-	-	(530,000)	(530,000)
Shares issued during the year	200	-	-	-	-	200
At 31 March 2018	35,561	16,587	(9,526)	(47,442)	6,456,703	6,451,883

The notes on pages 16 to 40 form part of these financial statements.

G2V RECRUITMENT GROUP LIMITED

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

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2016	51,948	-	182,901	234,849
Profit for the year	-	-	2,751,457	2,751,457
Purchase of own shares	(16,587)	16,587	(2,741,000)	(2,741,000)
At 1 April 2017	35,361	16,587	193,358	245,306
Profit for the year	-	-	1,534,499	1,534,499
Dividends: Equity capital	-	-	(530,000)	(530,000)
Shares issued during the year	200	-	-	200
At 31 March 2018	35,561	16,587	1,197,857	1,250,005

G2V RECRUITMENT GROUP LIMITED

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

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	2,195,828	918,845
Adjustments for:		
Amortisation of intangible assets	33,794	(9,780)
Depreciation of tangible assets	216,668	184,971
Loss on disposal of tangible assets	34,957	-
Interest paid	83,100	80,192
Interest received	-	(1,629)
Taxation charge	565,437	234,628
(Increase)/decrease in debtors	(1,864,219)	2,401,568
Increase/(decrease) in creditors	1,506,561	(110,516)
(Decrease) in provisions	(329,721)	(167,542)
Corporation tax (paid)	(477,303)	(309,501)
Net cash generated from operating activities	1,965,102	3,221,236
Cash flows from investing activities		
Purchase of intangible fixed assets	(104,339)	(6,076)
Purchase of tangible fixed assets	(497,773)	(253,373)
Sale of tangible fixed assets	2,234	-
Interest received	-	1,629
Net cash from investing activities	(599,878)	(257,820)

G2V RECRUITMENT GROUP LIMITED

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

	2018 £	2017 £
Cash flows from financing activities		
Issue of ordinary shares	200	-
Purchase of own shares	-	(2,741,000)
Drawdown/ (Repayment) of invoice discounting	(125,695)	(1,284,253)
Dividends paid	(530,000)	-
Interest paid	(83,100)	(80,192)
Net cash used in financing activities	(738,595)	(4,105,445)
Net increase/(decrease) in cash and cash equivalents	626,629	(1,142,029)
Cash and cash equivalents at beginning of year	512,763	1,654,792
Cash and cash equivalents at the end of year	1,139,392	512,763
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,139,392	512,763
	1,139,392	512,763

The notes on pages 16 to 40 form part of these financial statements.

G2V RECRUITMENT GROUP LIMITED

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

1. General information

G2V Recruitment Group Limited is a company limited by share capital, incorporated in England, registered number 08067630. The address of the registered office and principal place of business is 100 Gray's Inn Road, London, WC1X 8AL. The principal activity of the company, and nature of its operations, is that of a parent company of a group of companies providing 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.

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 judgement 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 Going concern

The directors have prepared forecasts for the group based on anticipated trading for the 12 month period following the date of signing these accounts. Based on this review, the directors consider the group to have sufficient resources to continue trading for at least 12 months from the date of approval of the financial statements. The directors have therefore adopted the going concern basis in preparing the financial statements.

G2V RECRUITMENT GROUP LIMITED

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

2. Accounting policies (continued)

2.4 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. 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 Group 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.

2.5 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.

G2V RECRUITMENT GROUP LIMITED

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

2. Accounting policies (continued)

2.6 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the life of the lease
Fixtures and fittings	- 25% reducing balance and 20% straight line
Computer equipment	- 25% reducing balance

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.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 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.

G2V RECRUITMENT GROUP LIMITED

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

2. Accounting policies (continued)

2.10 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.

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.

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.

G2V RECRUITMENT GROUP LIMITED

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

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 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.

2.14 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.

2.15 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.

G2V RECRUITMENT GROUP LIMITED

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

2. Accounting policies (continued)

2.16 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.

2.17 Interest income

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

2.18 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.

G2V RECRUITMENT GROUP LIMITED

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

2. Accounting policies (continued)

2.19 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.

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

The key sources of estimation, uncertainty and critical accounting judgements in applying the group's policies are discussed below:

Provision for impairment loss on trade debtors

The management of the group exercises significant judgement in providing impairment loss on trade debtors.

Other estimates and judgements

Significant judgement has been applied when assessing VAT and PAYE related provisions (see note 23).

Management of the company also exercises significant judgement in estimating the useful life of tangible assets.

Should these estimates vary, the profit or loss and balance sheet of the following years could be significantly impacted.

G2V RECRUITMENT GROUP LIMITED

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

4. Turnover

The whole of the turnover is attributable to the principal activity of the group.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	46,611,397	43,204,037
Rest of Europe	12,425,766	10,061,020
Rest of the world	3,059,226	1,090,102
	<u>62,096,389</u>	<u>54,355,159</u>

5. Other operating income

	2018 £	2017 £
Other operating income	<u>23,212</u>	<u>52,957</u>

6. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	216,668	184,971
Amortisation of intangible assets, including goodwill	33,794	(9,780)
Exchange differences	91,874	(181,811)
Other operating lease rentals	465,863	434,843
VAT and PAYE related provision	<u>251,279</u>	<u>67,052</u>

G2V RECRUITMENT GROUP LIMITED

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

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>31,000</u>	<u>32,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation	9,750	9,750
All other services	<u>3,850</u>	<u>3,100</u>

8. Employees

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	7,932,030	6,739,670	5,273,053	353,866
Social security costs	928,316	823,714	681,924	25,822
Cost of defined contribution scheme	97,682	75,184	73,055	1,874
	<u>8,958,028</u>	<u>7,638,568</u>	<u>6,028,032</u>	<u>381,562</u>

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

	2018 No.	2017 No.
Sales	111	100
Operations	44	39
	<u>155</u>	<u>139</u>

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL)

G2V RECRUITMENT GROUP LIMITED

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

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	519,208	1,100,547
Company contributions to defined contribution pension schemes	7,550	8,022
	<u>526,758</u>	<u>1,108,569</u>

During the year retirement benefits were accruing to 3 directors (2017: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £350,305 (2017: £403,665).

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

10. Interest receivable

	2018 £	2017 £
Other interest receivable	-	1,629
	<u>-</u>	<u>1,629</u>

11. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	30,073	52,936
Finance leases and hire purchase contracts	-	605
Other interest payable	53,027	26,651
	<u>83,100</u>	<u>80,192</u>

G2V RECRUITMENT GROUP LIMITED

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

12. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	498,857	173,838
Adjustments in respect of previous periods	70,966	(2,660)
	569,823	171,178
Foreign tax		
Foreign tax on income for the year	-	(74,090)
Total current tax	569,823	97,088
Deferred tax		
Origination and reversal of timing differences	60,699	126,939
Changes to tax rates	(65,085)	10,601
Total deferred tax	(4,386)	137,540
Taxation on profit on ordinary activities	565,437	234,628

G2V RECRUITMENT GROUP LIMITED

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

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017: *higher than*) the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>2,761,265</u>	<u>1,153,473</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	524,640	230,695
Effects of:		
Expenses not deductible for tax purposes	8,728	31,759
Capital allowances for year in excess of depreciation	9,381	2,460
Adjust closing deferred tax to average rate	(5,690)	-
Adjust opening deferred tax to average rate	(1,392)	-
Deferred tax not recognised	590	-
Adjustments to tax charge in respect of prior periods	70,966	(2,659)
Adjustment to tax charge in respect of prior periods - deferred tax	(65,086)	-
Other timing differences leading to an increase (decrease) in taxation	-	(9,399)
Adjustment for foreign subsidiaries tax charge	31,255	(31,828)
Other tax adjustments, reliefs and transfers	(7,955)	-
Deferred tax credit	-	13,600
Total tax charge for the year	<u><u>565,437</u></u>	<u><u>234,628</u></u>

13. Dividends

	2018 £	2017 £
Dividends paid on equity capital	<u><u>530,000</u></u>	<u><u>-</u></u>

G2V RECRUITMENT GROUP LIMITED

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

14. Intangible assets

Group

	Software £	Negative goodwill £	Total £
Cost			
At 1 April 2017	90,860	(147,006)	(56,146)
Additions	104,339	-	104,339
Transfer from Tangible Fixed Assets	334,134	-	334,134
At 31 March 2018	<u>529,333</u>	<u>(147,006)</u>	<u>382,327</u>
Amortisation			
At 1 April 2017	74,616	(111,263)	(36,647)
Charge for the year	63,195	(29,401)	33,794
Transfer from Tangible Fixed Assets	118,744	-	118,744
At 31 March 2018	<u>256,555</u>	<u>(140,664)</u>	<u>115,891</u>
Net book value			
At 31 March 2018	<u>272,778</u>	<u>(6,342)</u>	<u>266,436</u>
At 31 March 2017	<u>16,244</u>	<u>(35,743)</u>	<u>(19,499)</u>

G2V RECRUITMENT GROUP LIMITED

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

14. Intangible assets (continued)

Company

	Software £
Cost	
At 1 April 2017	-
Additions	104,339
Transfer from Tangible Fixed Assets	424,994
At 31 March 2018	<u>529,333</u>
Amortisation	
At 1 April 2017	-
Charge for the year	63,195
Transfer from Tangible Fixed Assets	193,360
At 31 March 2018	<u>256,555</u>
Net book value	
At 31 March 2018	<u><u>272,778</u></u>
At 31 March 2017	<u><u>-</u></u>

G2V RECRUITMENT GROUP LIMITED

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

15. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	59,684	258,087	1,086,776	1,404,547
Additions	-	340,992	156,781	497,773
Disposals	-	(65,582)	-	(65,582)
Transfer to Intangible Fixed Assets	-	-	(529,333)	(529,333)
Exchange adjustments	-	-	(3,828)	(3,828)
At 31 March 2018	59,684	533,497	710,396	1,303,577
Depreciation				
At 1 April 2017	59,684	167,660	535,599	762,943
Charge for the year on owned assets	-	64,550	152,118	216,668
Disposals	-	(28,391)	-	(28,391)
Transfer to Intangible Fixed Assets	-	-	(256,555)	(256,555)
Exchange adjustments	-	-	(3,366)	(3,366)
At 31 March 2018	59,684	203,819	427,796	691,299
Net book value				
At 31 March 2018	-	329,678	282,600	612,278
At 31 March 2017	-	90,427	551,177	641,604

G2V RECRUITMENT GROUP LIMITED

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

15. Tangible fixed assets (continued)

Company

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	-	-	-	-
Additions	-	340,992	139,898	480,890
Transfers intra group	59,684	258,087	1,052,681	1,370,452
Disposals	-	(65,582)	-	(65,582)
Transfer to Intangible Fixed Assets	-	-	(529,333)	(529,333)
At 31 March 2018	<u>59,684</u>	<u>533,497</u>	<u>663,246</u>	<u>1,256,427</u>
Depreciation				
At 1 April 2017	-	-	-	-
Charge for the year on owned assets	-	54,446	126,830	181,276
Transfers intra group	59,684	177,764	527,905	765,353
Disposals	-	(28,391)	-	(28,391)
Transfer to Intangible Fixed Assets	-	-	(256,555)	(256,555)
At 31 March 2018	<u>59,684</u>	<u>203,819</u>	<u>398,180</u>	<u>661,683</u>
Net book value				
At 31 March 2018	<u>-</u>	<u>329,678</u>	<u>265,066</u>	<u>594,744</u>
At 31 March 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

G2V RECRUITMENT GROUP LIMITED

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

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2017	57,550
At 31 March 2018	<u>57,550</u>
Net book value	
At 31 March 2018	<u>57,550</u>
At 31 March 2017	<u>57,550</u>

17. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
G2 Recruitment Solutions Limited	Ordinary	100 %	Labour recruitment
G2 Recruitment International Limited	Ordinary	100 %	Labour recruitment
G2 Recruitment Inc*	Ordinary	100 %	Labour recruitment
G2 Recruitment Global Services Inc*	Ordinary	100 %	Service provider
Vivid Resourcing Limited	Ordinary	100 %	Labour recruitment
Vivid Resourcing International Limited	Ordinary	100 %	Labour recruitment
AC Resourcing Limited	Ordinary	100 %	Labour recruitment
Vivid Resourcing LLC*	Ordinary	100 %	Labour recruitment
Vivid Resourcing East Coast LLC*	Ordinary	100 %	Labour recruitment
G2V Recruitment Group Inc*	Ordinary	100 %	Labour recruitment

* - Incorporated in the USA.

G2V RECRUITMENT GROUP LIMITED

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

18. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	7,661,532	6,282,153	7,146,563	-
Amounts owed by group undertakings	-	-	4,129,440	183,809
Other debtors	221,176	350,416	186,275	4,058
Prepayments and accrued income	2,818,488	2,216,072	2,787,977	-
Deferred taxation	-	-	-	21
	<u>10,701,196</u>	<u>8,848,641</u>	<u>14,250,255</u>	<u>187,888</u>

A total amount of £157,290 (2017: £134,709) was charged to the statement of comprehensive income in the year in respect of doubtful debtors.

19. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	1,139,392	512,763	976,436	93

20. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	271,689	242,598	260,637	-
Amounts owed to group undertakings	-	-	8,881,780	225
Corporation tax	144,020	-	70,891	-
Other taxation and social security	820,325	738,941	820,325	-
Advances from invoice financing	-	285,302	-	-
Other creditors	229,687	178,137	223,206	-
Accruals and deferred income	4,487,943	3,143,268	4,368,878	-
	<u>5,953,664</u>	<u>4,588,246</u>	<u>14,625,717</u>	<u>225</u>

Secured creditors

Advances from invoice financing are secured against trade debtors.

G2V RECRUITMENT GROUP LIMITED

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

21. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,139,392	512,763	976,436	93
Financial assets that are debt instruments measured at amortised cost	10,333,707	7,015,985	13,876,995	187,728
	<u>11,473,099</u>	<u>7,528,748</u>	<u>14,853,431</u>	<u>187,821</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(4,983,416)	(3,849,305)	-	(85)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, amounts owed to group undertakings and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, invoice discounting creditors, amounts owed to group undertakings and accruals.

22. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	(66,862)	70,678
Charged to profit or loss	4,386	(137,540)
At end of year	<u>(62,476)</u>	<u>(66,862)</u>

G2V RECRUITMENT GROUP LIMITED

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

22. Deferred taxation (continued)

Company

	2018 £	2017 £
At beginning of year	21	-
Charged to profit or loss	4,386	21
Hive up	(66,883)	-
At end of year	(62,476)	21

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accelerated capital allowances	(89,219)	70,678	4,386	-
Tax losses carried forward	26,743	(137,540)	-	-
Hive up	-	-	(66,862)	-
	(62,476)	(66,862)	(62,476)	-

G2V RECRUITMENT GROUP LIMITED

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

23. Provisions

Group

	VAT related provision £	PAYE related provision £	US Filing Provision £	Other Provisions £	Total £
At 1 April 2017	20,000	561,000	-	-	581,000
Charged to profit or loss	-	-	37,714	99,000	136,714
Utilised in year	(20,000)	(446,435)	-	-	(466,435)
At 31 March 2018	-	114,565	37,714	99,000	251,279

VAT related provision

In prior periods the company was in discussions with HMRC regarding aspects of its VAT compliance. Within the year this was settled with £20,000 paid to HMRC.

PAYE related provision

HMRC has opened enquiries into fiscal years prior to 31 March 2013 with respect to the Group's PAYE arrangements.

Within the financial statements as at 31 March 2018, the Group has recognised a provision of £114,565 as its current best estimate of possible PAYE tax and national insurance payable, after settling £446,000 with HMRC, and based on its latest understanding of the situation and recent correspondence received by HMRC.

Additional tax liabilities are currently being pursued by the HMRC and the Group continues to challenge these additional liabilities. Given the current uncertainty of any final HMRC decision on these disputes, the Group does not consider these liabilities as probable, and as such, have not set aside any additional provisions in the financial statements.

Other Provisions

Other provisions relate to a specific provision for a client dispute totalling £46,000, and a rebate overpayment of £53,000, which is likely to have to be repaid.

G2V RECRUITMENT GROUP LIMITED

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

Company

	2018 £	2017 £
PAYE Provision	114,565	-
Other provision	99,000	-
	213,565	-

G2V RECRUITMENT GROUP LIMITED

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

24. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
6,000 (2017 - 6,000) A1 Ordinary shares of £1.00 each	6,000	6,000
4,500 (2017 - 4,500) A3 Ordinary shares of £1.00 each	4,500	4,500
7,000 (2017 - 7,000) B1 Ordinary shares of £1.00 each	7,000	7,000
3,500 (2017 - 3,500) B3 Ordinary shares of £1.00 each	3,500	3,500
10,500 (2017 - 10,500) C Ordinary shares of £1.00 each	10,500	10,500
2,224 (2017 - 2,224) E1 Ordinary shares of £1.00 each	2,224	2,224
1,112 (2017 - 1,112) E3 Ordinary shares of £1.00 each	1,112	1,112
350 (2017 - 350) F1 Ordinary shares of £1.00 each	350	350
175 (2017: 175) F3 Ordinary shares of £1.00 each	175	175
100 (2017 -) G Ordinary shares of £1.00 each	100	-
100 (2017 -) H Ordinary shares of £1.00 each	100	-
	35,561	35,361

Shares carry equal voting rights, but have different rights to distributions. Each class of share only attracts dividends from a particular subsidiary and/or branch of the group.

The number of outstanding share options as at 1 April 2017 was 3,028. During the year the group issued further share options to 142 employees under a HMRC approved Enterprise Management Incentive Scheme. The number of options issued was 12,946 at an option price of £138.07 per share and 2,794 at an option price of £93.89. 7,394 of the options lapsed in the year leaving 15,430 share options outstanding as at 31st March 2018.

25. Reserves

Capital redemption reserve

The capital redemption reserve is as a result of repurchasing its own shares and is a non distributable reserve.

Foreign exchange reserve

The foreign exchange reserve includes all current and prior period foreign exchange differences on consolidation.

Other reserves

Other reserves relate to a difference between the nominal value of shares issued and acquired following a group reconstruction.

Profit and loss account

Includes all current and prior periods retained profits and losses.

G2V RECRUITMENT GROUP LIMITED

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

26. 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 £97,682 (2017: £75,184). Contributions totalling £4,801 (2017: £3,838) were payable to the fund at the balance sheet date and are included in creditors.

27. Commitments under operating leases

At 31 March 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	420,489	139,465
Later than 1 year and not later than 5 years	397,683	330,418
Later than 5 years	-	1,756
	<u>818,172</u>	<u>471,639</u>

28. Other financial commitments

The group holds an inter-company guarantee with its bank, the Royal Bank of Scotland plc, by which all companies in the group guarantee the debts of other companies in the group.

29. Transactions with directors

As at 1 April 2017 J A Gorfin owed the group £120,641. During the year £85,841 was repaid to the group leaving an amount due to the company as at 31 March 2018 of £34,800.

As at 1 April 2017 P A King owed the group £1,028. During the year £1,028 of this was repaid leaving the amount due to the group as at 31 March 2018 of £NIL.

As at 1 April 2017 S J Gillings owed the group £39. During the year £39 was repaid to the group leaving an amount due from S J Gillings as at 31 March 2018 of £NIL.

30. Related party transactions

In preparing these financial statements, the directors have taken advantage of the exemptions available under section 33 paragraph 1A of the Financial Reporting Standard 102, and have not disclosed transactions entered into between wholly owned group undertakings.

Dividends of £530,000 (2017: £2,741,000) were paid to directors of the group in the year. Key management personnel compensation totalled £526,758 (2017: £1,142,388).

G2V RECRUITMENT GROUP LIMITED

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

31. Controlling party

There is no ultimate controlling party of the group. J Gorfin is the largest shareholder by virtue of a 63.84% shareholding.