

Barker Ross Recruitment Limited

Registered number: 03158011

Directors' report and financial statements

For the year ended 30 November 2018



BARKER ROSS RECRUITMENT LIMITED

COMPANY INFORMATION

Directors	P A Ross E C Tillotson C A Bagguley
Company secretary	C A Bagguley
Registered number	03158011
Registered office	Mercury Place 11 St. George Street Leicester Leicestershire LE1 1QG
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 6 Dominus Way Meridian Business Park Leicester LE19 1RP

BARKER ROSS RECRUITMENT LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 5
Independent auditor's report	6 - 9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 26

BARKER ROSS RECRUITMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2018

Introduction

Business review

The turnover for the year was £11.3m (2017: £10.1m) and is in line with directors expectations. The operating profit was £26,435 (2016: operating loss of £355,449). The re-organisation of the management structure in 2017 has reduced costs, increased efficiency and returned the company to profit. The KPI's that the business tracks are GP% (14.2% compared to 14.8%), return on GP (1.5% compared to -23.3%). GP per sales head of £88,772 (2017: £99,170) and debtor days of 78 (2017: 52).

Whilst economic conditions have continued to be challenging across the industry and the broader economy as a whole, the strategy has continued to be to grow the business within the existing branch network.

Overall Strategy

The company has continued its strategy of organic growth.

Future Developments

The directors believe the company is in a strong position to achieve revenue growth and return to profitability.

Financial risk management objectives and policies

Credit risk

The maximum exposure to credit risk of the financial assets is the carrying amount shown on the balance sheet. Management monitors customers and trade/other debtors to avoid significant credit risks with the result that the company's exposure to bad debt is not significant.

It is the company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, the company has a credit insurance policy in place.

Liquidity risk

The company has an excellent relationship with its bankers. The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet its foreseeable needs. This is primarily achieved through trading activities and intercompany accounts.

Interest rate risk

The company's funding is provided by an invoice finance facility with a variable interest rate. This facility has fixed and floating charges.

Major failure of IT systems

The company is reliant on its IT systems to carry out its day to day processes.

The company has a robust disaster recovery plan in place in the event of a major internal failure of its IT systems and a dual redundancy server environment.

BARKER ROSS RECRUITMENT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2018**

Competition

The company operates in the recruitment services sector where there are a significant number of competitors and barriers to entry are relatively low. To counter the threat of competitors seeking to win business from us the company aims to build strong long term relationships with its customers through excellent service levels and through its rigorous selection and checking procedures which ensure that all contractors provided by the company are fully compliant with the legal requirements.

Legislative framework

Continued changes to the legislative framework in which the company operates presents an exposure to third party liabilities for failing to adhere to the relevant statutes. The business manages this risk by keeping up to date on all changes to the law and ensuring internal procedures are amended in a timely manner, backed up by rigorous internal audit, to ensure high standards and the company's professional reputation are maintained. As a consequence of this the directors are confident of future prospects.

Uncertainties and Brexit

The exit of the UK from the EU may impact the company in both positive and negative ways. The core business model, with its diversified market coverage in the civil engineering, construction and facilities management sectors is considered relatively defensive as it is not solely reliant on one sector. In addition, with regards to the availability of temporary labour, in the 2018 calendar year, the company registered 14% more candidates than in the previous year and the active database consists of 75% British nationals.

Onerous changes in the regulatory framework, driven by potential European or UK legislation, could lead to greatly increased employment costs which might lead to a reduction in demand for our temporary workers.

This report was approved by the board on 7 March 2019 and signed on its behalf.



C A Bagguley
Director

BARKER ROSS RECRUITMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2018

The directors present their report and the financial statements for the year ended 30 November 2018.

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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company during the year continued to be that of a recruitment business and recruitment agency providing temporary and permanent labour for the construction sector.

Results and dividends

The profit for the year, after taxation, amounted to £24,425 (2017 - loss £346,211).

The directors did not recommend a dividend during the year (2017 - £NIL)

Directors

The directors who served during the year were:

P A Ross
E C Tillotson
C A Bagguley

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-Sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1.

BARKER ROSS RECRUITMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2018**

Employee involvement

Employees are kept aware of developments within the company by regular briefings, team meetings and newsletters.

It is the policy of the company to encourage and develop all members of staff to realise their maximum potential. Wherever possible, vacancies are filled from within the company and adequate opportunities for internal promotion are created. The board is committed to a systematic training policy and the company has a comprehensive training and development programme creating the opportunity for employees to maintain and improve their performance and to develop their potential to a maximum level of attainment. In this way, staff will make their best possible contribution to the organisation's success. The company supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on the grounds of race, age, nationality, religion, ethnic or national origin, sexual orientation, gender or gender reassignment, marital status or disability.

Disabled persons

It is the company's policy to give full and fair consideration to suitable applications for employment from disabled persons. Once employed, disabled persons receive equal opportunities for training, career development and promotion. Opportunities exist for employees of the company who become disabled to continue their employment or to be trained for other positions within the company.

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'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's auditor is aware of that information.

Going concern

The financial statements have been prepared on a going concern basis. The board have prepared forecasts to 2023 and believes that the company will remain profitable and cash generative for the foreseeable future. The board also have the ongoing support of the broader Barker Ross Group and the group's bankers. On this basis the board considers the company to be a going concern.

Post balance sheet events

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

BARKER ROSS RECRUITMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2018**

Auditor

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

This report was approved by the board on 7 March 2019 and signed on its behalf.



**C A Bagguley
Director**

BARKER ROSS RECRUITMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARKER ROSS RECRUITMENT LIMITED

Opinion

We have audited the financial statements of Barker Ross Recruitment Limited (the 'company') for the year ended 30 November 2018, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 30 November 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

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

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

The terms on which the United Kingdom may withdraw from the European Union, currently due to occur on 29 March 2019, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

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

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

BARKER ROSS RECRUITMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARKER ROSS RECRUITMENT LIMITED
(CONTINUED)**

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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

BARKER ROSS RECRUITMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARKER ROSS RECRUITMENT LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

In the light of the 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 or the directors' report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

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 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 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.

BARKER ROSS RECRUITMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARKER ROSS RECRUITMENT LIMITED
(CONTINUED)**

Use of our report

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



Stephen English (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

7 March 2019

BARKER ROSS RECRUITMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	11,255,605	10,056,640
Cost of sales		(9,657,717)	(8,569,096)
Gross profit		<u>1,597,888</u>	<u>1,487,544</u>
Administrative expenses		(1,571,453)	(1,842,993)
Operating profit/(loss)	5	26,435	(355,449)
Interest receivable and similar income	10	216	874
Profit/(loss) before tax		<u>26,651</u>	<u>(354,575)</u>
Tax on profit/(loss)	11	(2,226)	8,364
Profit/(loss) for the financial year		<u><u>24,425</u></u>	<u><u>(346,211)</u></u>

There was no other comprehensive income for 2018 (2017: £NIL).

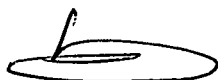
The notes on pages 13 to 26 form part of these financial statements.

BARKER ROSS RECRUITMENT LIMITED
REGISTERED NUMBER: 03158011

BALANCE SHEET
AS AT 30 NOVEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	2,754	11,978
Tangible assets	13	6,907	11,703
Investments	14	796	796
		<u>10,457</u>	<u>24,477</u>
Current assets			
Debtors	15	2,902,275	2,045,626
Cash at bank		4,257	10,000
		<u>2,906,532</u>	<u>2,055,626</u>
Creditors: amounts falling due within one year	16	(2,667,162)	(1,854,701)
Net current assets		239,370	200,925
Net assets		<u>249,827</u>	<u>225,402</u>
Capital and reserves			
Called up share capital	18	10,000	10,000
Share premium account	19	19,500	19,500
Profit and loss account	19	220,327	195,902
		<u>249,827</u>	<u>225,402</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 March 2019.



C A Bagguley
Director

The notes on pages 13 to 26 form part of these financial statements.

BARKER ROSS RECRUITMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 December 2017	10,000	19,500	195,902	225,402
Profit for the year	-	-	24,425	24,425
At 30 November 2018	10,000	19,500	220,327	249,827

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 December 2016	10,000	19,500	542,113	571,613
Loss for the year	-	-	(346,211)	(346,211)
At 30 November 2017	10,000	19,500	195,902	225,402

The notes on pages 13 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

1. General information

Barker Ross Recruitment Limited is a private limited liability company incorporated in England and Wales. The registered office and registered number are noted on the company information page. The principal activity of the company during the year continued to be that of a recruitment business and recruitment agency providing temporary and permanent labour for the construction sector.

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 ("FRS 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 management to exercise judgement in applying the company's accounting policies (see note 3).

The functional and presentational currency of the company during the year was Pound Sterling (£).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41 (e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

This information is included in the consolidated financial statements of Barker Ross Group Limited, the parent undertaking, as at 30 November 2018 and these financial statements may be obtained from Companies House.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The board have prepared forecasts to 2023 and believes that the company will remain profitable and cash generative for the foreseeable future. The board also have the ongoing support of the broader Barker Ross Group and the group's bankers. On this basis the board considers the company to be a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

2. Accounting policies (continued)

2.4 Turnover

Turnover from the provision of temporary workers is recognised at the end of the completed working week based on the hours worked multiplied by the contract rate, net of rebates.

Turnover from permanent placements is recognised when the candidate commences their new employment.

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

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.

Amortisation is provided on the following annual bases:

Computer software	-	33 % straight line on cost
-------------------	---	----------------------------

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, using the straight-line method.

Depreciation is provided on the following annual bases:

Motor vehicles	- 25%
Fixtures and fittings	- 20% - 25%

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.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

2. Accounting policies (continued)**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.

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 and loans to related parties.

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.

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 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.

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.

The company is part of the Barker Ross Group Limited group invoice discounting facility whereby debts are factored with recourse. Trade debtors are reported gross and cash advances from the factor as shown within creditors.

2.12 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

2. Accounting policies (continued)

2.13 Pensions

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.

2.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.15 Interest income

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

2.16 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 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 is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BARKER ROSS RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements had the most significant effect on amounts recognised in the financial statements:

(i) Trade debtors

An allowance for doubtful debts is maintained for estimated losses resulting from the inability of the company's customers to make required payments.

(ii) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company and arose in the United Kingdom.

5. Operating profit/(loss)

The operating profit/loss is stated after charging/(crediting):

	2018	2017
	£	£
Net depreciation of tangible fixed assets	27,364	14,398
Amortisation of intangible assets	9,224	7,910
Other operating lease rentals	100,295	139,780
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor for the audit of the company's annual financial statements	8,936	4,192
	<u> </u>	<u> </u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent undertaking.

BARKER ROSS RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

7. Employees - permanent workers

	2018 £	2017 £
Wages and salaries	1,099,831	981,694
Social security costs	101,761	97,230
Defined contribution pension cost	17,250	5,065
	<u>1,218,842</u>	<u>1,083,989</u>

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

	2018 £	2017 £
Sales	18	15
Administration	11	13
	<u>29</u>	<u>28</u>

8. Employees - temporary workers

Included in cost of sales are temporary workers' remuneration paid through the company's payroll as follows:

	2018 £	2017 £
Wages and salaries	9,530,159	8,618,889
Social security costs	114,390	130,374
Defined contribution pension cost	7,774	15,126
	<u>9,652,323</u>	<u>8,764,389</u>

The average number of temporary workers contracted by the company during the year was:

	2018 £	2017 £
Temporary workers	279	261
	<u>279</u>	<u>261</u>

BARKER ROSS RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	-	73,461
Company contributions to defined contribution pension schemes	-	268
	<u>-</u>	<u>73,729</u>

During the year, the directors of the company have been remunerated within Barker Ross Staffing Solutions Limited, a fellow subsidiary undertaking.

10. Interest receivable

	2018 £	2017 £
Bank interest	216	874
	<u>216</u>	<u>874</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Adjustments in respect of previous periods	735	-
Total current tax	<u>735</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences (note 17)	1,491	(8,364)
Total deferred tax	<u>1,491</u>	<u>(8,364)</u>
Taxation on profit/(loss) on ordinary activities	<u>2,226</u>	<u>(8,364)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

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

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2018	2017
	£	£
Profit/(loss) on ordinary activities before tax	26,651	(354,575)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	5,064	(67,369)
Effects of:		
Expenses not deductible for tax purposes	3,780	5,032
Intra group provision release	(40,142)	-
Deferred tax not recognised	14,862	19,441
Other differences	-	2,708
Group relief	-	31,824
Adjustment in respect of prior year	735	-
Loss utilised during the year	17,927	-
Total tax charge for the year	2,226	(8,364)

Factors that may affect future tax charges

At the year end, tax losses carried forward amounted to £127,307 (2017 - £275,895).

BARKER ROSS RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

12. Intangible assets

	Computer software £
Cost	
At 1 December 2017	33,561
Disposals	(18,453)
At 30 November 2018	<u>15,108</u>
Amortisation	
At 1 December 2017	21,583
Charge for the year	9,224
On disposals	(18,453)
At 30 November 2018	<u>12,354</u>
Net book value	
At 30 November 2018	<u><u>2,754</u></u>
At 30 November 2017	<u><u>11,978</u></u>

BARKER ROSS RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

13. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 December 2017	6,277	65,500	71,777
Additions	-	3,454	3,454
Disposals	-	(19,046)	(19,046)
At 30 November 2018	6,277	49,908	56,185
Depreciation			
At 1 December 2017	6,277	53,797	60,074
Charge for the year	-	6,934	6,934
Disposals	-	(17,730)	(17,730)
At 30 November 2018	6,277	43,001	49,278
Net book value			
At 30 November 2018	-	6,907	6,907
At 30 November 2017	-	11,703	11,703

14. Fixed asset investments

	Investments in subsidiary undertakings £
Cost and net book value	
At 1 December 2017 and 30 November 2018	796

BARKER ROSS RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

14. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the company during the year were:

Name	Class of shares	Holding	Principal activity
Barker Alexander Limited	Ordinary	90 %	Dormant
BR (Leicester) Ltd	Ordinary	90 %	Dormant

15. Debtors

	2018 £	2017 £
Trade debtors	2,412,701	1,434,560
Amounts owed by group undertakings	162,018	387,501
Other debtors	296,037	188,592
Prepayments	31,519	33,482
Deferred taxation (note 17)	-	1,491
	<u>2,902,275</u>	<u>2,045,626</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	69,353	32,151
Amounts owed to group undertakings	85,104	902
Other taxation and social security	381,526	270,218
Invoice financing facility (note 20)	1,804,564	1,155,435
Other creditors	250,382	375,099
Accruals and deferred income	76,233	20,896
	<u>2,667,162</u>	<u>1,854,701</u>

BARKER ROSS RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

17. Deferred taxation

	2018 £	2017 £
At beginning of year	1,491	(6,873)
Charged to profit or loss (note 11)	(1,491)	8,364
At end of year	-	1,491

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	-	1,491
	-	1,491

18. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
90,000 (2017 - 90,000) Ordinary A shares of £0.10 each	9,000	9,000
5,000 (2017 - 5,000) Ordinary B shares of £0.10 each	500	500
5,000 (2017 - 5,000) Ordinary shares of £0.10 each	500	500
	10,000	10,000

The holders of the Ordinary A shares shall have the right to appoint a director and meetings of the directors shall not be quorate unless such a director is present. The Ordinary B shares and Ordinary shares shall be separate classes of share but shall rank pari passu in all other respects to the Ordinary A shares.

19. Reserves**Share premium account**

The share premium account represents amounts paid over and above the nominal value of each share issued.

Profit and loss account

The profit and loss account contains all current and prior year retained profits and losses.

BARKER ROSS RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2018

20. Contingent liabilities

The company is party to a cross guarantee with a fellow subsidiary undertaking, Cardea Resourcing Limited, relating to overdraft facilities. At the balance sheet date, total amounts due across all companies were £39,933 (2017 - £79,145) covered by this guarantee.

The invoice financing facility is secured on the trade debtors of the company and the trade debtors of Barker Ross Staffing Solutions Limited and Cardea Resourcing Limited, both fellow subsidiary undertakings. At the balance sheet date, total amounts due across all companies were £7,761k (2017 - £6,878k) outstanding.

21. 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 £25,024 (2017 - £20,191). Contributions totalling £4,777 (2017 - £794) were payable to the fund at the balance sheet date and are included within other creditors.

22. Commitments under operating leases

At 30 November 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	5,057	22,917
Later than 1 year and not later than 5 years	-	6,611
	<u>5,057</u>	<u>29,528</u>

23. Related party transactions

At 30 November 2018 the company was owed £142,018 (2017 - £258,862) from Barker Ross Staffing Solutions Ltd, a fellow subsidiary undertaking, and £20,000 (2017: £20,000) from Barker Ross Group Limited, the parent undertaking. In addition, £902 (2017 - £902) was owed to Barker Alexander Limited, a subsidiary undertaking, and £84,202 (2017 - £108,639 owed from) to Cardea Resourcing Limited, a fellow subsidiary undertaking.

During the year, £211,272 was recovered from Talent Human Capital Management Limited with regards to debts written off in previous years.

The key management personnel in the year were deemed to be the directors, as shown in note 9.

BARKER ROSS RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018**

24. Parent undertaking and controlling party

The company's parent undertaking is Barker Ross Group Limited, a company incorporated in England and Wales. The company's controlling party is P A Ross by virtue of his controlling interest in the issued equity share capital of Barker Ross Group Limited. The largest and smallest group of undertakings for which group accounts have been drawn up, which include these accounts, is headed by Barker Ross Group Limited, which are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.