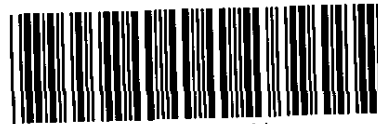


Registered number: 03121740

**SWAN STAFF RECRUITMENT LIMITED**  
**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2018**

MONDAY



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26/11/2018  
COMPANIES HOUSE

# **SWAN STAFF RECRUITMENT LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Z. W. Murray (formerly Bristow) S. J. Rogers
<b>Registered number</b>	03121740
<b>Registered office</b>	Lakeview West Galleon Boulevard Crossways Business Park Dartford Kent DA2 6QE
<b>Independent auditors</b>	Creaseys Group Limited Chartered Accountants & Statutory Auditors Brockbourne House 77 Mount Ephraim Tunbridge Wells Kent TN4 8BS

# **SWAN STAFF RECRUITMENT LIMITED**

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# SWAN STAFF RECRUITMENT LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

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### Introduction

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

### Business review

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

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

Overall, whilst revenue didn't show a growth, quality of revenue improvements resulted in growth in gross margin overall of 3.3 percentage points.

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

### Principal risks and uncertainties

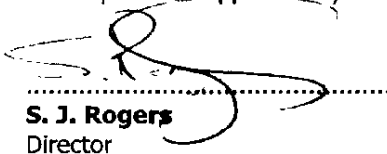
The need to ensure adequate working capital funding as the company looks to grow existing elements of the business as well as delivering on its longer term growth strategy remains a key risk if the business is to achieve its longer term strategic goals. Whilst the Directors will look to mitigate this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

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

### Financial key performance indicators

The business focuses on gross margins, which grew year on year from 30.9% (2017) to 34.2% (2018).

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

  
.....  
**S. J. Rogers**  
Director

Date: 30/10/18

# **SWAN STAFF RECRUITMENT LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present their report and the financial statements for the year ended 31 March 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

### **Results and dividends**

The profit for the year, after taxation, amounted to £241,458 (2017: £300,093).

Dividends of £100,000 (2017: £100,000) were paid during the year.

### **Directors**

The directors who served during the year were:

Z. W. Murray (formerly Bristow)  
S. J. Rogers

### **Future developments**

There are no future developments affecting the company.

### **Disclosure of information to auditors**

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

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

# SWAN STAFF RECRUITMENT LIMITED

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

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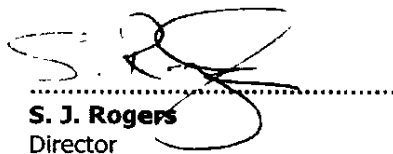
### Post balance sheet events

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

### Auditors

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

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



.....  
**S. J. Rogers**  
Director

Date: 30/10/18

# **SWAN STAFF RECRUITMENT LIMITED**

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

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### **Opinion**

We have audited the financial statements of Swan Staff Recruitment Limited (the 'Company') for the year ended 31 March 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, 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 31 March 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 Auditors' 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.

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

### **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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly

## **SWAN STAFF RECRUITMENT LIMITED**

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

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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.

#### **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 2, 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.

## SWAN STAFF RECRUITMENT LIMITED

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

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#### Auditors' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.



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

for and on behalf of  
**Creaseys Group Limited**

Chartered Accountants  
Statutory Auditors

Brockbourne House  
77 Mount Ephraim  
Tunbridge Wells  
Kent  
TN4 8BS

Date: 16/11/18

# SWAN STAFF RECRUITMENT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

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	Note	2018 £	2017 £
Turnover	4	15,820,892	18,357,073
Cost of sales		(10,402,360)	(12,685,116)
<b>Gross profit</b>		<u>5,418,532</u>	<u>5,671,957</u>
Administrative expenses		(5,080,716)	(5,391,845)
Other operating income	5	53,292	119,098
Fair value movements		42,958	34,169
<b>Operating profit</b>	6	<u>434,066</u>	<u>433,379</u>
Interest payable and expenses	10	(92,523)	(71,786)
Tax on profit	11	(100,085)	(61,500)
<b>Profit for the financial year</b>		<u><u>241,458</u></u>	<u><u>300,093</u></u>

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

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

The notes on pages 12 to 29 form part of these financial statements.

**SWAN STAFF RECRUITMENT LIMITED**  
**REGISTERED NUMBER:03121740**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	13	35,000	35,000
Tangible assets	14	1,599,378	1,620,844
Investment property	15	156,075	145,881
		<u>1,790,453</u>	<u>1,801,725</u>
<b>Current assets</b>			
Stocks		12,350	12,350
Debtors: amounts falling due after more than one year	16	136,023	121,255
Debtors: amounts falling due within one year	16	3,453,510	3,509,439
Current asset investments	17	50,449	50,450
Cash at bank and in hand	18	(191,036)	63,925
		<u>3,461,296</u>	<u>3,757,419</u>
Creditors: amounts falling due within one year	19	(3,475,618)	(4,323,682)
		<u>(14,322)</u>	<u>(566,263)</u>
<b>Net current liabilities</b>		<u>(14,322)</u>	<u>(566,263)</u>
<b>Total assets less current liabilities</b>		<u>1,776,131</u>	<u>1,235,462</u>
Creditors: amounts falling due after more than one year	20	(928,573)	(541,875)
<b>Provisions for liabilities</b>			
Deferred tax	24	(105,745)	(93,232)
		<u>(105,745)</u>	<u>(93,232)</u>
<b>Net assets</b>		<u>741,813</u>	<u>600,355</u>
<b>Capital and reserves</b>			
Called up share capital	25	100	100
Profit and loss account	26	741,713	600,255
		<u>741,813</u>	<u>600,355</u>

**SWAN STAFF RECRUITMENT LIMITED**

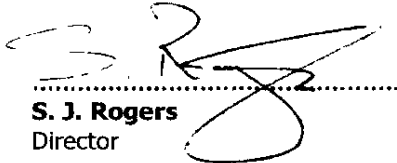
**REGISTERED NUMBER:03121740**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2018**

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

  
.....  
**S. J. Rogers**  
Director

Date: 30/10/18.

The notes on pages 12 to 29 form part of these financial statements.

## SWAN STAFF RECRUITMENT LIMITED

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

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 April 2016</b>	100	400,162	400,262
<b>Comprehensive income for the year</b>			
Profit for the year	-	300,093	300,093
Dividends: Equity capital	-	(100,000)	(100,000)
<b>At 1 April 2017</b>	100	600,255	600,355
<b>Comprehensive income for the year</b>			
Profit for the year	-	241,458	241,458
Dividends: Equity capital	-	(100,000)	(100,000)
<b>At 31 March 2018</b>	100	741,713	741,813

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# SWAN STAFF RECRUITMENT LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	241,458	300,093
<b>Adjustments for:</b>		
Depreciation of tangible assets	177,363	180,835
Loss on disposal of tangible assets	(941)	4,993
Interest paid	92,523	71,786
Taxation charge	100,085	61,500
Decrease/(increase) in stocks	-	(12,350)
Decrease/(increase) in debtors	102,622	(13,471)
(Decrease)/increase in creditors	(607,142)	433,671
Net fair value (gains) recognised in P&L	(42,958)	(34,169)
Corporation tax (paid)/received	(106,185)	85,000
<b>Net cash generated from operating activities</b>	<u>(43,175)</u>	<u>1,077,888</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(133,693)	(246,188)
Sale of tangible fixed assets	11,500	11,030
Sale of short term listed investments	-	23,667
HP interest paid	(34,681)	(46,079)
<b>Net cash from investing activities</b>	<u>(156,874)</u>	<u>(257,570)</u>
<b>Cash flows from financing activities</b>		
New secured loans	700,000	-
Repayment of loans	(146,666)	(454,419)
Repayment of/new finance leases	(128,186)	(190,019)
Movements on invoice discounting	(322,218)	(197,605)
Dividends paid	(100,000)	(100,000)
Interest paid	(57,842)	(25,707)
<b>Net cash used in financing activities</b>	<u>(54,912)</u>	<u>(967,750)</u>
<b>Net (decrease) in cash and cash equivalents</b>	(254,961)	(147,432)
Cash and cash equivalents at beginning of year	63,925	211,357
<b>Cash and cash equivalents at the end of year</b>	<u>(191,036)</u>	<u>63,925</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>(191,036)</u>	<u>63,925</u>

The notes on pages 12 to 29 form part of these financial statements.

# **SWAN STAFF RECRUITMENT LIMITED**

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

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### **1. General information**

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

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

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

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

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

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

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

The following principal accounting policies have been applied:

#### **2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Rendering of services**

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

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

# **SWAN STAFF RECRUITMENT LIMITED**

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

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### **2. Accounting policies (continued)**

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

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

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

### **2.3 Going concern**

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

### **2.4 Intangible assets**

#### **Goodwill**

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

#### **Other intangible assets**

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

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

### **2.5 Tangible fixed assets**

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

Freehold properties are measured under the revaluation model being measured at the fair value at the date of revaluation less any subsequent accumulated depreciation.

# SWAN STAFF RECRUITMENT LIMITED

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

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### 2. Accounting policies (continued)

#### 2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight line basis and reducing balance basis as reflected in the table below.

Depreciation is provided on the following basis:

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

#### 2.6 Investment property

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

#### 2.7 Stock

Stocks relate to ancillary office supplies to be used over the course of the year by office administrators. Stock is valued at the lower of cost and net realisable value.

#### 2.8 Debtors

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

#### 2.9 Cash and cash equivalents

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

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

# SWAN STAFF RECRUITMENT LIMITED

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

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### 2. Accounting policies (continued)

#### 2.10 Financial instruments

The Company 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 Statement of comprehensive income.

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

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

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

#### 2.11 Creditors

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

#### 2.12 Finance costs

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

# **SWAN STAFF RECRUITMENT LIMITED**

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

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### **2. Accounting policies (continued)**

#### **2.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### **2.14 Operating leases: the Company as lessor**

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

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

#### **2.15 Operating leases: the Company as lessee**

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

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

#### **2.16 Pensions**

##### **Defined contribution pension plan**

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

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

#### **2.17 Borrowing costs**

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

# SWAN STAFF RECRUITMENT LIMITED

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

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### 2. Accounting policies (continued)

#### 2.18 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

#### 2.19 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

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

#### Critical accounting estimates and assumptions

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

### 4. Turnover

All turnover arose within the United Kingdom.

# SWAN STAFF RECRUITMENT LIMITED

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

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### 5. Other operating income

	<b>2018</b>	<b>2017</b>
	£	£
Other operating income	-	74,080
Rents receivable	53,292	45,018
	<u>53,292</u>	<u>45,018</u>

### 6. Operating profit

The operating profit is stated after charging:

	<b>2018</b>	<b>2017</b>
	£	£
Depreciation of tangible fixed assets	177,363	180,835
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	24,880	17,067
Other operating lease rentals	604,719	604,934
Defined contribution pension cost	43,108	37,825
	<u>177,363</u>	<u>180,835</u>

### 7. Auditors' remuneration

	<b>2018</b>	<b>2017</b>
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	24,880	17,236
	<u>24,880</u>	<u>17,236</u>
Fees payable to the Company's auditor in respect of all other services	29,220	4,478
	<u>29,220</u>	<u>4,478</u>

# SWAN STAFF RECRUITMENT LIMITED

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

### 8. Employees

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

	<b>2018</b>	<b>2017</b>
	£	£
Wages and salaries	12,690,015	15,236,585
Social security costs	637,767	677,635
Cost of defined contribution scheme	43,108	37,825
	<u>13,370,890</u>	<u>15,952,045</u>

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

	<b>2018</b>	<b>2017</b>
	No.	No.
Directors	2	2
Administrative	35	38
Productive	89	99
	<u>126</u>	<u>139</u>

### 9. Directors' remuneration

	<b>2018</b>	<b>2017</b>
	£	£
Directors' emoluments	153,307	184,829
Company contributions to defined contribution pension schemes	1,100	2,171
	<u>154,407</u>	<u>187,000</u>

During the year retirement benefits were accruing to 2 directors (2017:2) in respect of defined contribution pension schemes.

### 10. Interest payable and similar expenses

	<b>2018</b>	<b>2017</b>
	£	£
Bank interest payable	57,842	25,707
Finance leases and hire purchase contracts	34,681	46,079
	<u>92,523</u>	<u>71,786</u>

# SWAN STAFF RECRUITMENT LIMITED

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

### 11. Taxation

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	87,572	61,500
<b>Deferred tax</b>		
Origination and reversal of timing differences	12,513	-
<b>Taxation on profit on ordinary activities</b>	<u>100,085</u>	<u>61,500</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 20%) as set out below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>341,543</u>	<u>361,591</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	64,893	72,319
<b>Effects of:</b>		
Expenses not deductible for tax purposes	13,893	-
Income not taxable for tax purposes	(8,162)	-
Adjust closing deferred tax to average rate of 19.00% (PY: 20.00%)	(12,441)	(21,085)
Adjust opening deferred tax to average rate of 19.00% (PY: 20.00%)	14,056	13,901
Deferred tax not recognised	26,248	34,362
Deferred tax	12,513	-
Adjustments to tax charge in respect of previous periods	(23,013)	(37,749)
Other differences leading to an increase (decrease) in the tax charge	12,098	(248)
<b>Total tax charge for the year</b>	<u>100,085</u>	<u>61,500</u>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# SWAN STAFF RECRUITMENT LIMITED

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

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### 12. Dividends

	2018 £	2017 £
Dividends paid	100,000	100,000

### 13. Intangible assets

	<b>Goodwill</b> £
<b>Cost</b>	
At 1 April 2017	200,000
At 31 March 2018	200,000
<b>Amortisation</b>	
At 1 April 2017	165,000
At 31 March 2018	165,000
<b>Net book value</b>	
At 31 March 2018	35,000
At 31 March 2017	35,000

# SWAN STAFF RECRUITMENT LIMITED

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

### 14. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
<b>Cost or valuation</b>					
At 1 April 2017	297,850	166,479	449,339	862,290	485,564
Additions	-	1,950	62,184	18,298	51,261
Disposals	-	-	(25,450)	-	-
Revaluations	32,764	-	-	-	-
At 31 March 2018	<u>330,614</u>	<u>168,429</u>	<u>486,073</u>	<u>880,588</u>	<u>536,825</u>
<b>Depreciation</b>					
At 1 April 2017	23,551	30,422	168,538	190,850	227,317
Charge for the year on owned assets	8,404	-	7,805	68,974	41,968
Charge for the year on financed assets	-	10,950	38,851	-	412
Disposals	-	-	(14,891)	-	-
At 31 March 2018	<u>31,955</u>	<u>41,372</u>	<u>200,303</u>	<u>259,824</u>	<u>269,697</u>
<b>Net book value</b>					
At 31 March 2018	<u>298,659</u>	<u>127,057</u>	<u>285,770</u>	<u>620,764</u>	<u>267,128</u>
At 31 March 2017	<u>274,299</u>	<u>136,057</u>	<u>280,801</u>	<u>671,440</u>	<u>258,247</u>

**SWAN STAFF RECRUITMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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

	<b>Total</b>
	<b>£</b>
<b>Cost or valuation</b>	
At 1 April 2017	2,261,522
Additions	133,693
Disposals	(25,450)
Revaluations	32,764
At 31 March 2018	<u>2,402,529</u>
<b>Depreciation</b>	
At 1 April 2017	640,678
Charge for the year on owned assets	127,151
Charge for the year on financed assets	50,213
Disposals	(14,891)
At 31 March 2018	<u>803,151</u>
<b>Net book value</b>	
At 31 March 2018	<u>1,599,378</u>
At 31 March 2017	<u>1,620,844</u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Plant and machinery	125,172	135,057
Motor vehicles	256,148	220,827
Furniture, fittings and equipment	-	407,325
Office equipment	10,569	-
	<u>391,889</u>	<u>763,209</u>

# SWAN STAFF RECRUITMENT LIMITED

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

### 15. Investment property

	<b>Freehold investment property</b>
	<b>£</b>
<b>Valuation</b>	
At 1 April 2017	145,881
Surplus on revaluation	10,194
<b>At 31 March 2018</b>	<b>156,075</b>

The 2018 valuations were made by the directors, on an open market value for existing use basis.

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Historic cost	123,794	123,794

### 16. Debtors

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Other debtors	136,023	121,255
<b>Due within one year</b>		
Trade debtors	2,227,094	2,615,118
Other debtors	572,136	404,086
Prepayments and accrued income	520,622	418,039
Tax recoverable	133,658	72,196
	<b>3,453,510</b>	<b>3,509,439</b>

Trade debtors totalling £2,114,387 (2017: £2,586,177) are subject to an invoice discounting agreement.

# SWAN STAFF RECRUITMENT LIMITED

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

### 17. Current asset investments

	2018 £	2017 £
Opening fair value	50,449	74,117
Sales	-	(23,667)
<b>Market value</b>	<u>50,449</u>	<u>50,450</u>

### 18. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>(191,036)</u>	<u>63,925</u>

### 19. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	371,088	211,672
Trade creditors	102,897	276,841
Corporation tax	177,164	133,364
Other taxation and social security	488,128	591,341
Obligations under finance lease and hire purchase contracts	71,594	193,510
Proceeds of factored debts	1,939,600	2,261,818
Other creditors	14,568	51,552
Accruals and deferred income	310,579	603,584
	<u>3,475,618</u>	<u>4,323,682</u>

# SWAN STAFF RECRUITMENT LIMITED

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

### 20. Creditors: Amounts falling due after more than one year

	<b>2018</b>	<b>2017</b>
	£	£
Bank loans	865,148	472,181
Net obligations under finance leases and hire purchase contracts	63,425	69,694
	<u>928,573</u>	<u>541,875</u>

#### Secured loans

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

Hire purchase contracts are secured on the assets concerned.

### 21. Loans

Analysis of the maturity of loans is given below:

	<b>2018</b>	<b>2017</b>
	£	£
Amounts falling due within one year	371,088	211,672
Amounts falling due 1-2 years	318,919	472,181
Amounts falling due 2-5 years	434,956	-
Amounts falling due after more than 5 years	111,273	-
	<u>1,236,236</u>	<u>683,853</u>

### 22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	<b>2018</b>	<b>2017</b>
	£	£
Within one year	67,199	245,763
Between 1-2 years	39,144	175,537
Between 2-5 years	18,300	31,924
	<u>124,643</u>	<u>453,224</u>

# SWAN STAFF RECRUITMENT LIMITED

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

### 23. Financial instruments

	<b>2018</b>	<b>2017</b>
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	55,743	114,375
Financial assets that are debt instruments measured at amortised cost	3,213,445	3,412,127
	<u>3,269,188</u>	<u>3,526,502</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(1,780,833)	(1,199,739)

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

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

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

### 24. Deferred taxation

	<b>2018</b>	
	£	
At beginning of year		(93,232)
Charged to profit or loss		(12,513)
<b>At end of year</b>		<u>(105,745)</u>
	<b>2018</b>	<b>2017</b>
	£	£
Accelerated capital allowances	(108,688)	(93,232)
Tax losses carried forward	2,943	-
	<u>(105,745)</u>	<u>(93,232)</u>

# SWAN STAFF RECRUITMENT LIMITED

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

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### 25. Share capital

	2018	2017
	£	£
<b>Authorised, allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	100	100

### 26. Reserves

#### Profit and loss account

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

### 27. 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 £20,242 (2017: £22,165). Contributions totalling £17,308 (2017: £14,596) were payable to the fund at the balance sheet date and are included in creditors.

### 28. Commitments under operating leases

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

	2018	2017
	£	£
Commitments in respect of leases of land and buildings		
Not later than 1 year	315,263	350,575
Later than 1 year and not later than 5 years	403,828	710,270
	<u>719,091</u>	<u>1,060,845</u>
	2018	2017
	£	£
Commitments in respect of other operating leases		
Not later than 1 year	4,408	4,408
Later than 1 year and not later than 5 years	6,431	10,839
	<u>10,839</u>	<u>15,247</u>

# **SWAN STAFF RECRUITMENT LIMITED**

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

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### **29. Transactions with directors**

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

### **30. Related party transactions**

All directors who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration in respect of these individuals is £154,407 (2017: £187,000).

At the year-end, £558,173 was owed to the Company by S. J. Rogers, a director (2017: £369,059).

During the year dividends of £100,000 (2017: £100,000) were paid to the Rogers family.

### **31. Controlling party**

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