

Company Registration No. 06912468 (England and Wales)

SALT RECRUITMENT GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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SALT RECRUITMENT GROUP LIMITED

COMPANY INFORMATION

Directors	Mr M Schiavo P D A Schiavo
Company number	06912468
Registered office	9 Wootton Street London SE1 8TG
Auditor	Beavis Morgan Audit Limited 82 St John Street London EC1M 4JN

SALT RECRUITMENT GROUP LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Notes to the financial statements	15 - 29

SALT RECRUITMENT GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Business review

Salt Recruitment Group Limited ("The Group") are specialist digital recruiters that represent everything that is innovative and emerging in the digital world. Whether ecommerce & customer insight, digital marketing, online advertising, web technologies or cloud, we truly understand the challenges and opportunities of digital. Our teams are specialists, and work collaboratively with our clients to achieve their digital transformation or create cutting edge digital products & services, covering technical, marketing, creative and sales positions across retained, permanent placements and contract assignments.

The Group's vision is to create futures for our customers globally that will positively impact the digital economy, which we do from our 8 locations globally, which means that we have the global reach to be able to connect our customers.

The Group delivered continued growth and investment in 2017 with turnover of £39m (2016: £30.9m), and profits before tax of £870k (2016: £549k). The Group aim to build on the performance of the last two years by focussing on delivery, talent acquisition and retention, and customer satisfaction, which the Directors believe will provide continued opportunities to build significant growth and returns in 2018 and future periods

Principal risks and uncertainties

Economic and market risk

The recruitment market is driven by economic cycles and business confidence, and as a consequence the Group is subject to risks associated with an economic downturn. The Group addresses this risk through ensuring non-dependence on any one client or service, operating globally across 8 locations and offering a broad range of services within the sectors in which it operates together with a focus on quality and performance of delivery.

Competitive risk

The markets in which the Group operate are competitive and fragmented; and as a consequence the Group is subject to a number of risks including the impact of competitor activity, key staff attraction and retention. The Group addresses this risk through regularly monitoring competitor rates and margins and by attracting and retaining quality staff through incentive and retention initiatives, although the Group accept a moderate level of attrition may arise given the focus on achievement, quality and compliance. Risks are regularly reviewed and assessed by the management team to ensure that adverse effects are minimised.

Credit risk

The Group policies are set to minimise exposure to credit risk, and in particular over bad debts. The Group addresses this risk through monitoring the creditworthiness of customers, working with customers to ensure debt is within acceptable credit limits and taking remedial action where necessary. Credit risk is regularly reviewed through an efficient management process of financial control, invoicing and debt recovery.

Foreign exchange risk

The Group has exposure to foreign exchange risk. The Group addresses this risk through ensuring costs and revenues are delivered in the same local currency and reviewing exchange exposure on a monthly basis.

Key performance indicators

The recruitment market is dynamic and the directors track a range of key performance indicators on a periodic basis. The more important KPI's include NFI; contractor numbers and margins; and written business, all of which are measured on a regular basis against budget metrics.

SALT RECRUITMENT GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Other information and explanations

The Group's operation exposes it to a variety of financial risk that include the effects of credit risk, currency risk and liquidity risk. The directors seek to limit the effects of credit and liquidity risk by monitoring turnover and debtor days. The risks in relation to currency have been less material to the Group in the year as currency movements have appreciated in favour of the Group on its group debt movements. The directors seek to limit the effects on the financial performance of the company by regularly monitoring levels of exposure to identified financial risks.

On behalf of the board



.....
PDA Schiavo
Director
.....

28/09/2018

SALT RECRUITMENT GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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

Principal activities

The principal activity of the company and group continued to be that of a group of recruitment agencies.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Schiavo
P D A Schiavo

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

Beavis Morgan Audit Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



PDA Schiavo
Director

Date: 28/9/18

SALT RECRUITMENT GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

SALT RECRUITMENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SALT RECRUITMENT GROUP LIMITED

Opinion

We have audited the financial statements of Salt Recruitment Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. The directors are responsible for the other information. 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.

SALT RECRUITMENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SALT RECRUITMENT GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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


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.

SALT RECRUITMENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SALT RECRUITMENT GROUP LIMITED


Richard Thacker (Senior Statutory Auditor)
for and on behalf of Beavis Morgan Audit Limited

28/9/18
.....

Chartered Accountants
Statutory Auditor

82 St John Street
London
EC1M 4JN

SALT RECRUITMENT GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	39,006,024	30,855,560
Cost of sales		(27,216,948)	(21,068,804)
Gross profit		11,789,076	9,786,756
Administrative expenses		(10,822,746)	(9,127,093)
Operating profit	4	966,330	659,663
Share of profit of associate	7	49,431	-
Interest receivable and similar income	7	-	9,617
Interest payable and similar expenses	8	(145,337)	(119,917)
Profit before taxation		870,424	549,363
Tax on profit	9	(169,465)	(124,120)
Profit for the financial year		700,959	425,243
Profit for the financial year is attributable to:			
- Owners of the parent company		701,107	424,121
- Non-controlling interests		(148)	1,122
		700,959	425,243

SALT RECRUITMENT GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Profit for the year	700,959	425,243
Other comprehensive income		
Currency translation differences	17,927	(1,586)
Total comprehensive income for the year	<u>718,886</u>	<u>423,657</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	719,034	422,424
- Non-controlling interests	(148)	1,233
	<u>718,886</u>	<u>423,657</u>


SALT RECRUITMENT GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11	165,731		94,073	
Investments	12	395,310		-	
		<u>561,041</u>		<u>94,073</u>	
Current assets					
Debtors	16	8,008,042		7,856,061	
Cash at bank and in hand		89,028		296,406	
		<u>8,097,070</u>		<u>8,152,467</u>	
Creditors: amounts falling due within one year	17	(6,901,076)		(7,205,891)	
Net current assets		<u>1,195,994</u>		<u>946,576</u>	
Total assets less current liabilities		<u>1,757,035</u>		<u>1,040,649</u>	
Provisions for liabilities	20	(13,619)		(13,619)	
Net assets		<u><u>1,743,416</u></u>		<u><u>1,027,030</u></u>	
Capital and reserves					
Called up share capital	22	1,346		1,366	
Share premium account		18,505		18,250	
Capital redemption reserve		121		96	
Profit and loss reserves		<u>1,722,359</u>		<u>1,006,085</u>	
Equity attributable to owners of the parent company		<u>1,742,331</u>		<u>1,025,797</u>	
Non-controlling interests		<u>1,085</u>		<u>1,233</u>	
		<u><u>1,743,416</u></u>		<u><u>1,027,030</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 28/9/18 and are signed on its behalf by:


PDA Schiavo
Director

Company Registration No. 06912468

SALT RECRUITMENT GROUP LIMITED

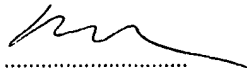
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	12		346,047		168
Current assets					
Debtors	16	180,100		228,011	
Cash at bank and in hand		55		-	
		<u>180,155</u>		<u>228,011</u>	
Creditors: amounts falling due within one year	17	(435,780)		(135,257)	
Net current (liabilities)/assets			(255,625)		92,754
Total assets less current liabilities			<u>90,422</u>		<u>92,922</u>
Capital and reserves					
Called up share capital	22		1,346		1,366
Share premium account			18,505		18,250
Capital redemption reserve			121		96
Profit and loss reserves			70,450		73,210
Total equity			<u>90,422</u>		<u>92,922</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £nil (2016- £nil)

The financial statements were approved by the board of directors and authorised for issue on 28/9/18 and are signed on its behalf by:


 PDA Schiavo
 Director

Company Registration No. 06912468

SALT RECRUITMENT GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2016	1,452	17,740	-	1,020,350	1,039,542	-	1,039,542
Year ended 31 December 2016:							
Profit for the year	-	-	-	424,121	424,121	1,122	425,243
Other comprehensive income:							-
Currency translation differences	-	-	-	(1,586)	(1,586)	-	(1,586)
Amounts attributable to non-controlling interests	-	-	-	(111)	(111)	111	-
Total comprehensive income for the year	-	-	-	422,424	422,424	1,233	423,657
Issue of share capital 22	10	510	-	-	520	-	520
Dividends 10	-	-	-	(429,009)	(429,009)	-	(429,009)
Own shares acquired	-	-	-	(7,680)	(7,680)	-	(7,680)
Redemption of shares 22	(96)	-	96	-	-	-	-
Balance at 31 December 2016	1,366	18,250	96	1,006,085	1,025,797	1,233	1,027,030
Year ended 31 December 2017:							
Profit for the year	-	-	-	701,107	701,107	(148)	700,959
Other comprehensive income:							
Currency translation differences	-	-	-	17,927	17,927	-	17,927
Total comprehensive income for the year	-	-	-	719,034	719,034	(148)	718,886
Issue of share capital 22	5	255	-	-	260	-	260
Own shares acquired	-	-	-	(2,760)	(2,760)	-	(2,760)
Redemption of shares 22	(25)	-	25	-	-	-	-
Balance at 31 December 2017	1,346	18,505	121	1,722,359	1,742,331	1,085	1,743,416

SALT RECRUITMENT GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2016		1,452	17,740	-	80,890	100,082
Year ended 31 December 2016:						
Profit and total comprehensive income for the year		-	-	-	429,009	429,009
Issue of share capital	22	10	510	-	-	520
Dividends	10	-	-	-	(429,009)	(429,009)
Own shares acquired		-	-	-	(7,680)	(7,680)
Redemption of shares	22	(96)	-	96	-	-
Balance at 31 December 2016		1,366	18,250	96	73,210	92,922
Year ended 31 December 2017:						
Profit and total comprehensive income for the year		-	-	-	-	-
Issue of share capital	22	5	255	-	-	260
Own shares acquired		-	-	-	(2,760)	(2,760)
Redemption of shares	22	(25)	-	25	-	-
Balance at 31 December 2017		1,346	18,505	121	70,450	90,422

SALT RECRUITMENT GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27	540,165		(469,701)	
Interest paid		(145,337)		(119,917)	
Income taxes paid		-		(118,442)	
Net cash inflow/(outflow) from operating activities		394,828		(708,060)	
Investing activities					
Purchase of tangible fixed assets		(107,883)		(79,268)	
Purchase of interest in associate		(345,879)		-	
Repayment/ (advances) from related parties		21,610		(9,617)	
Interest received		-		9,617	
Net cash used in investing activities		(432,152)		(79,268)	
Financing activities					
Proceeds from issue of shares		260		520	
Redemption of shares		(2,760)		(7,680)	
(Repayment)/ receipt of borrowings		(185,482)		1,077,750	
Net cash (used in)/generated from financing activities		(187,982)		1,070,590	
Net (decrease)/increase in cash and cash equivalents		(225,306)		283,262	
Cash and cash equivalents at beginning of year		296,406		14,731	
Effect of foreign exchange rates		17,928		(1,587)	
Cash and cash equivalents at end of year		89,028		296,406	

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

Investments in subsidiaries are measured at cost less accumulated impairment.

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors, loans advanced to fellow group members and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group members, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using an appropriate valuation model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Judgement has been required when deciding whether outstanding debtors are recoverable and whether there is any need for provisions against bad debts. Judgement has also been applied to decide assets' lives.

3 Turnover and other revenue

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

	2017 £	2016 £
Other significant revenue		
Interest income	-	9,617

	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	28,125,355	23,798,035
Rest of Europe	5,010,409	2,782,314
Rest of the World	5,870,260	4,275,211
	<u>39,006,024</u>	<u>30,855,560</u>

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	27,194	(177,506)
Depreciation of owned tangible fixed assets	36,225	68,281
Operating lease charges	<u>438,428</u>	<u>354,455</u>

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company's subsidiaries	14,750	13,500
For other services		
All other non-audit services	8,150	5,000

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
	116	124	-	-
Their aggregate remuneration comprised:				
	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	7,427,656	5,944,616	-	-
Social security costs	689,120	623,853	-	-
Pension costs	61,542	61,718	-	-
	8,178,318	6,630,187	-	-

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Other interest income	-	9,617
Income from fixed asset investments		
Share of associates profit	49,431	-
Total income	49,431	9,617

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank overdrafts and loans	133,529	119,907
Interest on invoice finance arrangements	11,808	-
Other interest	-	10
Total finance costs	<u>145,337</u>	<u>119,917</u>

9 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	<u>169,465</u>	<u>124,120</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	<u>870,424</u>	<u>549,363</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	165,381	109,873
Tax effect of expenses that are not deductible in determining taxable profit	16,419	9,811
Permanent capital allowances in excess of depreciation	(3,244)	(235)
Effect of overseas tax rates	2,456	4,670
Other tax adjustments	(1)	1
Taxation charge for the year	<u>181,011</u>	<u>124,120</u>
Taxation charge in the financial statements	<u>169,465</u>	<u>124,120</u>
Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.	<u>11,546</u>	<u>-</u>

10 Dividends

	2017	2016
	£	£
Final paid	<u>-</u>	<u>429,009</u>

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Tangible fixed assets

Group	Leasehold improvements £	Office equipment £	Total £
Cost			
At 1 January 2017	-	251,898	251,898
Additions	8,008	99,875	107,883
At 31 December 2017	8,008	351,773	359,781
Depreciation and impairment			
At 1 January 2017	-	157,825	157,825
Depreciation charged in the year	-	36,225	36,225
At 31 December 2017	-	194,050	194,050
Carrying amount			
At 31 December 2017	8,008	157,723	165,731
At 31 December 2016	-	94,073	94,073

The company had no tangible fixed assets at 31 December 2017 or 31 December 2016.

12 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	13	-	-	168	168
Investments in associates	14	395,310	-	345,879	-
		395,310	-	346,047	168

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

Shares in
group
undertakings
and
participating
interests
£

Cost or valuation

At 1 January 2017

-

Additions

395,310

At 31 December 2017

395,310

Carrying amount

At 31 December 2017

395,310

At 31 December 2016

-

Movements in fixed asset investments Company

Shares in
group
undertakings
and
participating
interests
£

Cost or valuation

At 1 January 2017

168

Additions

345,879

At 31 December 2017

346,047

Carrying amount

At 31 December 2017

346,047

At 31 December 2016

168

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

13 Subsidiaries

Details of the company's subsidiaries and associate at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Salt Recruitment Limited	UK	Dormant	Ordinary	100.00	-
Salt Contracts Limited	UK	Recruitment agency	Ordinary	100.00	-
Salt Global Limited	UK	Dormant	Ordinary	100.00	-
Salt HR Consultancy	Dubai	Recruitment agency	Ordinary	95.00	-
Salt Search Limited	UK	Recruitment agency	Ordinary	100.00	-
Salt Staffing Inc.	USA	Recruitment agency	Ordinary	100.00	-
Salt APAC Pte Limited	Singapore	Recruitment agency	Ordinary	10.00	-

14 Associates

Details of associates at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Salt APAC PTE Limited	Singapore	Recruitment agency	Ordinary	10.00	-

The directors consider the company holds significant influence because of the existence of an option agreement to acquire further shares and other contractual rights held by it.

15 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	7,598,234	6,605,826	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	6,065,105	6,356,304	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

16 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	5,898,528	5,552,413	-	-
Amounts owed by group undertakings	-	-	180,000	227,911
Other debtors	1,165,216	1,053,936	100	100
Prepayments and accrued income	944,298	1,249,712	-	-
	<u>8,008,042</u>	<u>7,856,061</u>	<u>180,100</u>	<u>228,011</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Other borrowings	18	3,944,119	4,129,601	-	-
Trade creditors		832,467	652,392	-	-
Amounts due to group undertakings		-	-	435,700	1
Corporation tax payable		292,159	122,694	-	-
Other taxation and social security		543,812	726,893	-	-
Other creditors		79,946	134,308	80	80
Accruals and deferred income		1,208,573	1,440,003	-	135,176
		<u>6,901,076</u>	<u>7,205,891</u>	<u>435,780</u>	<u>135,257</u>

18 Loans and overdrafts

	Group 2017 £	2016 £	Company 2017 £	2016 £
Other loans	<u>3,944,119</u>	<u>4,129,601</u>	<u>-</u>	<u>-</u>
Payable within one year	<u>3,944,119</u>	<u>4,129,601</u>	<u>-</u>	<u>-</u>

Included within loans are amounts owed under an invoice finance facility, which is secured by a debenture dated 10th January 2017 over the assets of Salt Search Limited and Salt Contracts Limited respectively, and by a guarantee from Salt Recruitment Group Limited. The amounts owed under the agreements at 31 December 2017 was £3,682,451 (2016: £3,953,969).

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

19 Provisions for liabilities

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Deferred tax liabilities	20	13,619	13,619	-	-

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £
Group		
Accelerated capital allowances	13,619	13,619

The company has no deferred tax assets or liabilities.

There were no deferred tax movements in the year.

21 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	61,542	61,718

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

	Group and company 2017 £	2016 £
Ordinary share capital		
Allotted, called up and fully paid		
11,400 Ordinary shares of 10p each	1,140	1,140
760 Ordinary A shares of 10p each	76	76
760 Ordinary B shares of 10p each	76	76
300 Ordinary C shares of 10p each	30	50
240 Deferred shares of 10p each	24	24
	<u>1,346</u>	<u>1,366</u>

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	175,500	175,500	175,500	175,500
Between two and five years	372,156	526,500	372,156	526,500
In over five years	-	21,156	-	21,156
	<u>547,656</u>	<u>723,156</u>	<u>547,656</u>	<u>723,156</u>

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

24 Related party transactions

Group

During the year, advances amounting to £256,758 (2016: £579,515) were made to PDA Schiavo, a director and shareholder of the Group. At the balance sheet date, PDA Schiavo owed the Group £213,006 (2016: £234,617). This was cleared by way of dividend post year end.

Directors' fees totalled £73,000 (2016: £120,000) were paid to the directors of the Group during the year.

At the balance sheet date, the Group was owed by the following related parties in which PDA Schiavo has significant control:

- Renoir Estates Limited - £1,000 (2016: £1,000)
- CPG Properties Limited - £19,755 (2016: £19,755)

At the balance sheet date, the Group was owed £102,130 (2016: £41,909) by Salt APAC Pte Limited and £612,149 (2016: £530,941) by Salt Search Pty Limited, which are associated undertakings of the company.

Company

At the balance sheet, the company owed £435,204 (2016: was owed £47,911) and was owed £180,000 (2016: £180,000) by Salt Search Limited and Salt Contracts Limited respectively. Salt Search Limited and Salt Contracts Limited are subsidiaries of the company.

The company received dividends amounting to £nil from its subsidiaries and paid dividends of £nil during the year.

As permitted by FRS 102, the company has taken advantage of paragraph of 33.1A for not disclosing transactions between wholly owned members of the group.

25 Controlling party

At 31 December 2017 there was no overall controlling party.

26 Share based payments

The company has granted options under an Enterprise Management Incentive Scheme. Share options granted from time to time are placed in the employee's hands until exercise or expiry. Options remaining unexercised after a period of 10 from the date of grant expire. Furthermore, share options are forfeit if the employee leaves the company before the options vest,

At the balance sheet date, the total number of shares issuable under outstanding options are 1,520 (2016 - 1,520) Ordinary C shares of £0.10 each at a purchase price of £5 per share.

SALT RECRUITMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

27 Cash generated from group operations

	2017	2016
	£	£
Profit for the year after tax	700,959	425,243
Adjustments for:		
Taxation charged	169,465	124,120
Finance costs	145,337	119,917
Investment income	(49,431)	(9,617)
Depreciation and impairment of tangible fixed assets	36,225	68,281
Movements in working capital:		
Increase in debtors	(173,592)	(2,236,121)
(Decrease)/increase in creditors	(288,798)	1,038,476
Cash generated from/(absorbed by) operations	540,165	(469,701)