

Company Registration No. 05842761 (England and Wales)

Energize Recruitment Solutions Ltd

**Unaudited financial statements
for the year ended 31 December 2018**

Pages for filing with the Registrar



Energize Recruitment Solutions Ltd

Balance sheet
As at 31 December 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	3		51,951		32,054
Investments	4		18,791		18,791
			<u>70,742</u>		<u>50,845</u>
Current assets					
Debtors	6	1,881,633		1,066,832	
Cash at bank and in hand		68,986		88,092	
		<u>1,950,619</u>		<u>1,154,924</u>	
Creditors: amounts falling due within one year	7	(1,470,023)		(943,446)	
Net current assets			<u>480,596</u>		<u>211,478</u>
Total assets less current liabilities			<u>551,338</u>		<u>262,323</u>
Provisions for liabilities	8		(8,266)		(4,724)
Net assets			<u><u>543,072</u></u>		<u><u>257,599</u></u>
Capital and reserves					
Called up share capital	9		10,000		10,000
Profit and loss reserves	10		533,072		247,599
Total equity			<u><u>543,072</u></u>		<u><u>257,599</u></u>

Energize Recruitment Solutions Ltd

Balance sheet (continued)

As at 31 December 2018

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on^{17.5.19}..... and are signed on its behalf by:



.....
Craig Molloy
Director

Company Registration No. 05842761

Energize Recruitment Solutions Ltd

Notes to the financial statements

For the year ended 31 December 2018

1 Accounting policies

Company information

Energize Recruitment Solutions Ltd is a private company limited by shares incorporated in England and Wales. The registered office is The Pavilion, Towers Business Park, Wilmslow Road, Didsbury, Manchester, M20 2LS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover for permanent fee income is recognised when the individual commences their employment and contract fee income on the date the client witnesses the timesheet for work performed.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	15% reducing balance
Computers	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Notes to the financial statements (continued)
For the year ended 31 December 2018

1 Accounting policies (continued)

1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.6 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 and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with 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, 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 company after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

1.8 Equity instruments

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

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has 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.

1.11 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.

1.12 Retirement benefits

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

1.13 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 Employees

The average monthly number of persons (including directors) employed by the company during the year was 40 (2017 - 40).

Energize Recruitment Solutions Ltd

Notes to the financial statements (continued)
For the year ended 31 December 2018

3 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2018	55,080	54,897	109,977
Additions	23,961	8,651	32,612
Disposals	(733)	(19,660)	(20,393)
At 31 December 2018	78,308	43,888	122,196
Depreciation and impairment			
At 1 January 2018	39,397	38,526	77,923
Depreciation charged in the year	2,616	9,927	12,543
Eliminated in respect of disposals	(561)	(19,660)	(20,221)
At 31 December 2018	41,452	28,793	70,245
Carrying amount			
At 31 December 2018	36,856	15,095	51,951
At 31 December 2017	15,683	16,371	32,054

4 Fixed asset investments

	2018	2017
	£	£
Investments	18,791	18,791

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2018 & 31 December 2018	18,791
Carrying amount	
At 31 December 2018	18,791
At 31 December 2017	18,791

Energize Recruitment Solutions Ltd

Notes to the financial statements (continued) For the year ended 31 December 2018

5 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct
Energize Recruitment Solutions Inc.	1	Personnel placement	Ordinary	100.00

Registered Office addresses:

1 730 Arizona Avenue, Santa Monica CA 90401, United States of America

6 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	1,390,445	968,195
Amounts owed by group undertakings	439,290	51,207
Other debtors	5,710	13,675
Prepayments and accrued income	46,188	33,755
	<u>1,881,633</u>	<u>1,066,832</u>

Energize Recruitment Solutions Ltd

Notes to the financial statements (continued)

For the year ended 31 December 2018

7 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	373,706	166,420
Other borrowings	2,950	-
Trade creditors	673,562	449,430
Corporation tax	108,720	126,132
Other taxation and social security	87,903	91,367
Other creditors	77,154	10,427
Accruals and deferred income	146,028	99,670
	<u>1,470,023</u>	<u>943,446</u>

The bank loans and overdrafts are secured by a debenture including a fixed equitable charge and floating charge over the assets of the company, and a joint and several guarantee limited to £103,000 provided by Craig Molloy and Gavin Jones, in favour of HSBC Bank plc dated 28 September 2012.

Derivative financial instruments consists of forward currency contracts, modified to fair value, calculated by the directors.

8 Provisions for liabilities

	2018	2017
	£	£
Deferred tax liabilities	<u>8,266</u>	<u>4,724</u>

9 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	-	10,000
5,000 A Ordinary shares of £1 each	5,000	-
5,000 B Ordinary shares of £1 each	5,000	-
	<u>10,000</u>	<u>10,000</u>

On 15 March 2018, the company reclassified its 10,000 Ordinary shares into 5,000 A Ordinary shares and 5,000 B Ordinary shares.

Energize Recruitment Solutions Ltd

Notes to the financial statements (continued)

For the year ended 31 December 2018

10 Profit and loss reserves

Profit and loss reserves represent accumulated profits less dividends paid.

11 Operating lease commitments

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

	2018	2017
	£	£
	331,057	7,072
	<u> </u>	<u> </u>

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Consultancy fees	
	2018	2017
	£	£
Other related parties	7,900	6,000
	<u> </u>	<u> </u>

The consultancy fees, which are on an arms length basis, were paid to a close family member of one of the directors.

As at 31 December 2018 the company owed £2,950 (owed by that director 2017 - £11,800).

Employee Share Option Scheme

The company has a share option scheme for all employees under the Enterprise Management Incentive scheme. Options are exercisable at a price equal to the market price of the company's shares on the date of grant. The vesting period is a maximum of 10 years from the date of the grant of the option. The exercise of options is dependent on eligible executives being employed by the company at the time that the trigger conditions, as set out in the rules of the scheme, are satisfied. The options are settled in equity once exercised. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options collapse if the employee leaves the company before the options vest.

Options over 450 shares have been granted and 250 share options have lapsed, in prior periods, at rates between £9.84 per share and £11.72 per share. During 2018, 25 share options were granted at a rate of £16.22 per share and 75 share options lapsed, leaving options over 150 shares outstanding.