

CNA ES Limited

Report and Financial Statements

for the Year Ended 31 December 2016

Registration number: 03009607

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COMPANIES HOUSE

CNA ES Limited

Registered No. 03009607

Directors T Watts
 J D Smith

Company secretary N J Dudley

Registered office Meriden Hall
 Main Road
 Meriden
 Warwickshire
 CV7 7PT

Auditor Mazars LLP
 45 Church Street
 Birmingham
 B3 2RT

CNA ES Limited

Directors' Report

for the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the Company is that of a recruitment company.

Results and dividends

The Company made a loss after tax of £620,676 for the year ended 31 December 2016 (2015 - loss of £236,186). The trading results are considered to be satisfactory, as are future prospects.

The Directors do not propose a final dividend (2015 - £nil) and the loss for the year has been transferred to reserves.

Directors of the company

The directors who held office during the year were as follows:

T Watts

J D Smith

Going concern

The Company meets its day to day working capital requirements by utilising the credit facilities of the group. The Directors have received an undertaking from the group that sufficient finance will be available, to meet obligations as they fall due in line with the Company's business plan for a period of not less than twelve months from the date of signature of these financial statements.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors' indemnities

The Company maintains Director & Officers insurance. The insurance was in place during the year and continues to be in place.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Mazars LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Small companies provision statement

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

CNA ES Limited

Directors' Report
for the Year Ended 31 December 2016

Approved by the Board on 19 January 2018 and signed on its behalf by:

.....
JD Smith
Director



CNA ES Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 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 and 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; and
- 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 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.

CNA ES Limited

Independent Auditor's Report to the Members of CNA ES Limited

We have audited the financial statements of CNA ES Limited (the 'Company') for the year ended 31 December 2016, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and the related notes. 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).

Respective responsibilities of directors and the auditor

As explained more fully in the Statement of Directors' Responsibilities, set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Auditor's responsibilities for the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

CNA ES Limited

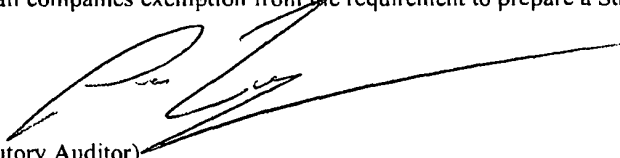
Independent Auditor's Report to the Members of CNA ES Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemptions in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



.....
Paul Lucas (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

45 Church Street
Birmingham
B3 2RT

25 January 2018

CNA ES Limited

Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		427,616	370,312
Cost of sales		<u>(98,018)</u>	<u>(75,311)</u>
Gross profit		329,598	295,001
Administrative expenses		<u>(892,231)</u>	<u>(450,853)</u>
Operating loss		(562,633)	(155,852)
Other interest receivable and similar income		1,957	2,062
Amounts written off investments	7	-	(11,788)
Interest payable and similar expenses		<u>(60,000)</u>	<u>(61,121)</u>
Loss on ordinary activities before taxation		(620,676)	(226,699)
Tax on loss on ordinary activities		<u>-</u>	<u>(9,487)</u>
Loss for the financial year		<u>(620,676)</u>	<u>(236,186)</u>

The above results were derived from continuing activities.

The company has no recognised gains or losses for the year other than the results above.

CNA ES Limited

Registration number: 03009607

Balance Sheet

as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	5	1	-
Tangible assets	6	6,486	8,527
Investments	7	50,234	50,234
		<u>56,721</u>	<u>58,761</u>
Current assets			
Debtors	8	4,157,671	4,816,526
Cash at bank and in hand		-	18,627
		<u>4,157,671</u>	<u>4,835,153</u>
Creditors: Amounts falling due within one year	9	<u>(5,326,106)</u>	<u>(5,384,952)</u>
Net current liabilities		<u>(1,168,435)</u>	<u>(549,799)</u>
Net liabilities		<u>(1,111,714)</u>	<u>(491,038)</u>
Capital and reserves			
Called up share capital		10,500	10,500
Profit and loss account		<u>(1,122,214)</u>	<u>(501,538)</u>
Total equity		<u>(1,111,714)</u>	<u>(491,038)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 19 January 2018 and signed on its behalf by:


.....
J D Smith
Director

The notes on pages 10 to 17 form an integral part of these financial statements.

CNA ES Limited

Statement of Changes in Equity
for the Year Ended 31 December 2016

	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 January 2016	10,500	(501,538)	(491,038)
Total comprehensive income			
Loss for the year	-	(620,676)	(620,676)
Total comprehensive income	-	(620,676)	(620,676)
At 31 December 2016	<u>10,500</u>	<u>(1,122,214)</u>	<u>(1,111,714)</u>
	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 January 2015	10,500	(265,352)	(254,852)
Total comprehensive income			
Loss for the year	-	(236,186)	(236,186)
Total comprehensive income	-	(236,186)	(236,186)
At 31 December 2015	<u>10,500</u>	<u>(501,538)</u>	<u>(491,038)</u>

The notes on pages 10 to 17 form an integral part of these financial statements.

CNA ES Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The Company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Meriden Hall
Main Road
Meriden
Warwickshire
CV7 7PT
United Kingdom

The principal activity of the Company is that of a recruitment company. The financial statements are prepared in pounds sterling as this is the Company's functional currency, being the currency of the primary economic environment in which the Company operates.

2 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Section 1A of FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102") and applicable legislation as set out in the Companies Act 2006 and the Small Companies and Groups (Accounts and Directors' Reports) Regulations 2008. These financial statements have been prepared under the historical costs convention.

Transition to FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland

The financial statements for the year ended 31 December 2016 are the Company's first financial statements that comply with Section 1A of FRS 102; the Company's date of transition to FRS 102 is 1 January 2015. The transition to Section 1A of FRS 102 has resulted in a small number of changes in the accounting policies to those used previously.

There were no restatements to the Balance Sheet or the Profit and Loss Account in either year as a result of the transition for FRS 102.

Going concern

The Company meets its day to day working capital requirements by utilising the credit facilities of the group. The Directors have received an undertaking from the group that sufficient finance will be available, to meet obligations as the fall due in line with the Company's business plan for a period of not less than twelve months from the date of signature of these financial statements.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

CNA ES Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Turnover from temporary assignment sales are predominantly recognised on a weekly basis corresponding with the assignment week, and fees arising from the placement of permanent staff are predominantly recognised at the point of commencement of employment.

Tax

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

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. No payment is made for group relief surrendered.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date with certain limited exceptions.

Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Tangible assets

Tangible assets are stated at cost, net of depreciation and any provision for impairment.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the profit and loss account.

CNA ES Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, based on prices prevailing at the date of acquisition as follows:

<i>Asset class</i>	<i>Depreciation method and rate</i>
Office Equipment	25% Straight Line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds only basic financial instruments, which comprise cash and cash equivalents, debtors and creditors.

Financial assets - classified as basic financial instruments

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount expected to be received, net of any impairment. Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Financial liabilities - classified as basic financial instruments

Creditors

Creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount expected to be payable. Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

CNA ES Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

During the year the Company participated in a defined contribution pension scheme operated by Network Ventures Limited. The assets of the scheme are held separately from those of Network Ventures Limited in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the scheme rules. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

3 Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements in determining the carrying amounts of assets and liabilities. The directors' judgements are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, the actual results and outcomes may differ.

Critical judgements in applying the Company's accounting policies

The Directors have not made any material judgements in the process of applying the Company's accounting policies.

4 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 4 (2015 - 4).

5 Intangible assets

	Goodwill £
Cost	
At 1 January 2016	350,000
Acquired through business combinations	<u>1</u>
At 31 December 2016	350,001
Amortisation	
At 1 January 2016 and at 31 December 2016	<u>350,000</u>
Net book value	
At 31 December 2016	<u><u>1</u></u>
At 31 December 2015	<u><u>-</u></u>

CNA ES Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

6 Tangible assets

	Total £
Cost	
At 1 January 2016	107,880
Additions	2,492
Transfers from group undertakings	<u>5,133</u>
At 31 December 2016	<u>115,505</u>
Depreciation	
At 1 January 2016	99,353
Charge for the year	5,447
Transfers from group undertakings	<u>4,219</u>
At 31 December 2016	<u>109,019</u>
Net book value	
At 31 December 2016	<u><u>6,486</u></u>
At 31 December 2015	<u><u>8,527</u></u>

CNA ES Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

7 Investments

	2016	2015
	£	£
Investments in subsidiaries	<u>50,234</u>	<u>50,234</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2016 and at 31 December 2016		<u>62,022</u>
Provision		
At 1 January 2016 and at 31 December 2016		<u>11,788</u>
Carrying amount		
At 31 December 2015 and at 31 December 2016		<u>50,234</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Principal activity	Proportion of voting rights and shares held	
		2016	2015
Subsidiary undertakings			
Human Cloud	Recruitment	51%	51%
MPS Healthcare Limited	Recruitment	75.1%	75.1%

CNA ES Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

8 Debtors

	2016 £	2015 £
Trade debtors	3,437,109	3,547,305
Amounts owed by group undertakings	630	656,590
Other debtors	705,325	602,819
Prepayments and accrued income	14,607	9,812
	<u>4,157,671</u>	<u>4,816,526</u>

The Company operates a debt assignment arrangement whereby group, related and independent undertakings assign their trade debtors to CNA ES Limited under debt assignment agreements, will full recourse to the independent undertakings. Unpaid debts that are more than 90 days overdue are indemnified by the originating undertaking and as such reassigned back to the appropriate undertaking.

Included within other debtors are amounts due from related parties of £507,814, (2015 - £545,518), see note 11.

9 Creditors

	2016 £	2015 £
Amounts falling within one year		
Amounts owed to group undertakings	4,305,754	4,698,218
Corporation tax	1,746	1,745
Other taxation and social security	278,172	317,737
Other creditors	707,702	334,095
Accruals and deferred income	32,732	33,157
	<u>5,326,106</u>	<u>5,384,952</u>

The Company is a subsidiary of a group that operates a central purchase ledger. Consequently, trade creditors of the Company are included within amounts due to group undertakings.

10 Pension scheme

Defined contribution pension scheme

During the year the Company participated in a defined contribution pension scheme operated by Network Ventures Limited. The pension charge for the year represents contributions payable by the Company to the scheme and amounted to £460 (2015 - £388).

Contributions totalling £nil (2015 - £nil) were payable to the scheme at the end of the year.

CNA ES Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

11 Related party transactions

The Company has taken advantage of the exemption in FRS102 from disclosing transactions with the other members of the group.

During the year the Company made the following related party transactions:

P Investments Limited

During the year, recharges at cost of expenditure for goods and services were made to the Company from P Investments Limited amounting to £86,496 (2015 - £21,899) (including VAT).

At the balance sheet date the amount due to P Investments Limited was £nil (2015 - £nil).

Total Employment Limited

At the balance sheet date the amount due from Total Employment Limited who have a a common director was £469,491 (2015 - £423,456).

Executive Network Legal Limited

At the balance sheet date the amount due from Executive Network Legal Limited who have a common director was £38,323 (2015 - £122,062).

12 Control

The immediate parent undertaking at the balance sheet date was CNA International Limited , a Company incorporated in England and Wales. The ultimate parent undertaking and controlling party at the balance sheet date was Pertemps Network Group Limited, a Company incorporated in England and Wales. The largest group of which the Company is a member and for which group accounts are prepared. Copies of these accounts are available from the Registered Office as set out on page 1.