

BESPOKE CAREERS GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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BESPOKE CAREERS GROUP LIMITED

COMPANY INFORMATION

Directors	L Urquhart-Turton J Bent L Constantine
Company number	07711021
Registered office	58 St Johns Square London EC1V 4JG
Auditor	Leigh Carr 12 Helmet Row London EC1V 3QJ
Business address	58 St Johns Square London EC1V 4JG

BESPOKE CAREERS GROUP LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Statement of comprehensive income	7
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Group statement of cash flows	12
Company statement of cash flows	13
Notes to the financial statements	14 - 30

BESPOKE CAREERS GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present the strategic report for the year ended 30 June 2018.

Fair review of the business

The Group have performed well in challenging conditions and with the continuing uncertainty over the UK's ongoing negotiations to exit the European Union.

The Group chose to focus on the core business in the UK, Australia and the United States, and as a result it was decided to close the Hong Kong office after seven years of trading. The market in Hong Kong and China is more about quantity, with a reluctance to pay for quality which didn't suit the calibre of product being supplied by Bespoke. Despite this, revenues across both contract and permanent business lines have increased year on year, particularly in the United States (East and West coast) where above average growth for the Group have been achieved. New business and investment in people and the brand were contributing factors.

Gross profit increased again and is expected to rise in 2019. Contract net fee income has increased across the Group; by adopting this strategy, the Group will become less reliant on the permanent placement business and can concentrate on growing pipeline/continuous business. The United States and Australian offices have significantly contributed to this and it is likely to continue.

Bespoke has a strong, international presence in the industry and has good relationships with many large, international practices in addition to local practices of all sizes. Bespoke continues to facilitate the movement of candidates from country to country and this has also increased, again increasing the Group's international presence.

Principal risks and uncertainties

The company trades in pounds, US dollars and Australian dollars and endeavours to match receipts and payments as closely as possible to minimise exchange rate risk.

The company's credit risk is primarily attributable to its trade debtors and is managed by operating strict credit checks with its new and existing customers and monitoring its customers on a regular basis, resulting in the timely collection of receivables.

The Group has decreased its risk by trading globally and becoming less reliant on certain markets.

Brexit negotiations are ongoing and continue to remain uncertain, but it seems inevitable that the decision to leave the European Union will impact in some way on how the London office trades in the future. This could also create new opportunities and the directors remain firmly focused on positioning the company to capitalise should such situations arise. The directors are confident that the company will be able to react accordingly to ensure the continued success of the business.

Key performance indicators

The key financial performance indicators used by the Board to monitor the financial performance of the company and its results for 2018 are as follows:

Turnover increased from £12.3m to £12.8m, rise of 3.5%

Costs increased by 0.8% from £4.3m to £4.33m

Profit before tax decreased to £1.5m compared to profit before tax in 2017 of £1.7m

The Board also uses non financial performance indicators such as headcount to ensure staff levels remain at the optimum level to maximise performance.

On behalf of the board



L Urquhart-Turton

Director

28 March 2019

BESPOKE CAREERS GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

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

Principal activities

The principal activity of the group was that of recruitment consultants and placement agency for architectural practices.

Directors

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

L Urquhart-Turton

J Bent

J O'Sullivan

(Resigned 17 December 2018)

L Constantine

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £1,227,233. The directors do not recommend payment of a further dividend.

Future developments

Following the success of the offices on the East and West coasts of the United States, the Group are potentially looking to expand into other regions of North America or Canada to exploit available opportunities.

Auditor

In accordance with the company's articles, a resolution proposing that Leigh Carr be reappointed as auditor of the group 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



L Urquhart-Turton

Director

28 March 2019

BESPOKE CAREERS GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

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.

BESPOKE CAREERS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BESPOKE CAREERS GROUP LIMITED

Opinion

We have audited the financial statements of Bespoke Careers Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise 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, the company 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 30 June 2018 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. 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.

BESPOKE CAREERS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BESPOKE CAREERS 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.

BESPOKE CAREERS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

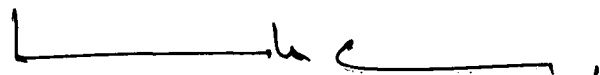
TO THE MEMBERS OF BESPOKE CAREERS GROUP LIMITED

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.

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.



R O'Gorman FCA (Senior Statutory Auditor)
for and on behalf of Leigh Carr

28 March 2019

Chartered Accountants
Statutory Auditor

12 Helmet Row
London
EC1V 3QJ

BESPOKE CAREERS GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
Turnover	3	12,767,599	12,336,011
Cost of sales		(4,325,311)	(4,290,527)
Gross profit		8,442,288	8,045,484
Administrative expenses		(6,969,877)	(6,390,861)
Other operating income		32,695	19,235
Operating profit	4	1,505,106	1,673,858
Interest receivable and similar income	8	18,649	21,920
Profit before taxation		1,523,755	1,695,778
Tax on profit	9	(467,191)	(462,199)
Profit for the financial year		1,056,564	1,233,579
Other comprehensive income			
Currency translation differences		(29,361)	28,021
Total comprehensive income for the year		1,027,203	1,261,600
Profit for the financial year is attributable to:			
- Owners of the parent company		719,732	812,623
- Non-controlling interests		336,832	420,956
		1,056,564	1,233,579
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		690,371	840,644
- Non-controlling interests		336,832	420,956
		1,027,203	1,261,600

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

BESPOKE CAREERS GROUP LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12		175,469		263,585
Current assets					
Debtors	16	2,057,510		1,847,208	
Cash at bank and in hand		1,761,530		2,068,797	
		<u>3,819,040</u>		<u>3,916,005</u>	
Creditors: amounts falling due within one year	17	<u>(1,316,487)</u>		<u>(1,254,385)</u>	
Net current assets			<u>2,502,553</u>		<u>2,661,620</u>
Total assets less current liabilities			<u>2,678,022</u>		<u>2,925,205</u>
Creditors: amounts falling due after more than one year	18		-		(16,273)
Provisions for liabilities	19		<u>(18,893)</u>		<u>(27,736)</u>
Net assets			<u><u>2,659,129</u></u>		<u><u>2,881,196</u></u>
Capital and reserves					
Called up share capital	21		100		100
Profit and loss reserves			<u>2,156,746</u>		<u>2,407,805</u>
Equity attributable to owners of the parent company			<u>2,156,846</u>		<u>2,407,905</u>
Non-controlling interests			<u>502,283</u>		<u>473,291</u>
			<u><u>2,659,129</u></u>		<u><u>2,881,196</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28 March 2019 and are signed on its behalf by:



L Urquhart-Turton
Director

BESPOKE CAREERS GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	13		65,177		85,670
Current assets					
Debtors	16	206,102		897,807	
Cash at bank and in hand		301,001		204,003	
		507,103		1,101,810	
Creditors: amounts falling due within one year	17	(3,900)		(3,674)	
Net current assets			503,203		1,098,136
Total assets less current liabilities			568,380		1,183,806
Capital and reserves					
Called up share capital	21		100		100
Profit and loss reserves			568,280		1,183,706
Total equity			568,380		1,183,806

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 £326,004 (2017 - £1,132,709 profit).

The financial statements were approved by the board of directors and authorised for issue on 28 March 2019 and are signed on its behalf by:



L Urquhart-Turton
Director

Company Registration No. 7711021

BESPOKE CAREERS GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Share capital £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 July 2016		100	2,332,261	2,332,361	286,452	2,618,813
Year ended 30 June 2017:						
Profit for the year		-	812,623	812,623	420,956	1,233,579
Other comprehensive income:						-
Currency translation differences		-	28,021	28,021	-	28,021
Total comprehensive income for the year		-	840,644	840,644	420,956	1,261,600
Dividends	10	-	(765,100)	(765,100)	(254,035)	(1,019,135)
Other movements		-	-	-	19,918	19,918
Balance at 30 June 2017		100	2,407,805	2,407,905	473,291	2,881,196
Year ended 30 June 2018:						
Profit for the year		-	719,732	719,732	336,832	1,056,564
Other comprehensive income:						
Currency translation differences on overseas subsidiaries		-	(29,361)	(29,361)	-	(29,361)
Total comprehensive income for the year		-	690,371	690,371	336,832	1,027,203
Dividends	10	-	(941,430)	(941,430)	(285,803)	(1,227,233)
Other movements		-	-	-	(22,037)	(22,037)
Balance at 30 June 2018		100	2,156,746	2,156,846	502,283	2,659,129

BESPOKE CAREERS GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2016		100	816,097	816,197
Year ended 30 June 2017:				
Profit and total comprehensive income for the year		-	1,132,709	1,132,709
Dividends	10	-	(765,100)	(765,100)
Balance at 30 June 2017		100	1,183,706	1,183,806
Year ended 30 June 2018:				
Profit and total comprehensive income for the year		-	326,004	326,004
Dividends	10	-	(941,430)	(941,430)
Balance at 30 June 2018		100	568,280	568,380

BESPOKE CAREERS GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	25	1,500,051		1,537,901	
Income taxes paid		(519,294)		(557,726)	
Net cash inflow from operating activities		<u>980,757</u>		<u>980,175</u>	
Investing activities					
Purchase of tangible fixed assets		(30,729)		(115,569)	
Proceeds on disposal of tangible fixed assets		-		374	
Interest received		18,649		21,920	
Net cash used in investing activities		<u>(12,080)</u>		<u>(93,275)</u>	
Financing activities					
Dividends paid to equity shareholders		(941,430)		(765,100)	
Dividends paid to non-controlling interests		(285,803)		(254,035)	
Net cash used in financing activities		<u>(1,227,233)</u>		<u>(1,019,135)</u>	
Net decrease in cash and cash equivalents		<u>(258,556)</u>		<u>(132,235)</u>	
Cash and cash equivalents at beginning of year		2,068,383		2,155,934	
Effect of foreign exchange rates		(48,297)		44,684	
Cash and cash equivalents at end of year		<u><u>1,761,530</u></u>		<u><u>2,068,383</u></u>	
Relating to:					
Cash at bank and in hand		1,761,530		2,068,797	
Bank overdrafts included in creditors payable within one year		-		(414)	

BESPOKE CAREERS GROUP LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	26		677,790		(215,353)
Investing activities					
Proceeds on disposal of subsidiaries		20,493		-	
Proceeds on disposal of fixed asset investments		(94,357)		-	
Dividends received		434,502		1,137,527	
Net cash generated from investing activities			360,638		1,137,527
Financing activities					
Dividends paid to equity shareholders		(941,430)		(765,100)	
Net cash used in financing activities			(941,430)		(765,100)
Net increase in cash and cash equivalents			96,998		157,074
Cash and cash equivalents at beginning of year			204,003		46,929
Cash and cash equivalents at end of year			301,001		204,003

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

Bespoke Careers Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 58 St Johns Square, London, EC1V 4JG.

The group consists of Bespoke Careers Group Limited and all of its subsidiaries.

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.

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. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Bespoke Careers Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenues arising from temporary personnel services are recognised when the services are rendered. Revenues from permanent placement services are recognised at the time the candidate begins full-time employment and an allowance is established for non-fulfilment of permanent placement obligations.

1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

1.6 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:

Land and buildings Short Leasehold	Over the length of the lease
Computer equipment	33 1/3% straight line
Fixtures, fittings & equipment	33 1/3% 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 recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

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.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.9 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.

1.10 Financial instruments

The group 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 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 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

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, 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 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.

1.13 Taxation

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

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

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.

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.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.15 Retirement benefits

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

1.16 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.

1.17 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.

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

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.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Recruitment consultants	12,767,599	12,336,011

	2018 £	2017 £
Other significant revenue		
Interest income	18,649	21,920

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	4,600,750	3,782,686
Australia	5,734,668	6,587,751
Hong Kong	74,108	426,909
America	2,358,073	1,538,665
	12,767,599	12,336,011

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	3,719	(48,279)
Depreciation of owned tangible fixed assets	115,744	109,017
(Profit)/loss on disposal of tangible fixed assets	-	612
Amortisation of intangible assets	-	2,418
Operating lease charges	281,609	255,170

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £3,719 (2017 - £48,279).

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,925	4,550
Audit of the financial statements of the company's subsidiaries	9,125	10,421
	<u>13,050</u>	<u>14,971</u>

6 Employees

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

Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
7	8	-	-
79	82	-	-
<u>86</u>	<u>90</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	8,787,798	8,332,083	-	-
Social security costs	200,368	161,029	-	-
Pension costs	321,614	228,514	-	-
	<u>9,309,780</u>	<u>8,721,626</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	134,796	98,640
Company pension contributions to defined contribution schemes	101,198	598
	<u>235,994</u>	<u>99,238</u>

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	18,649	21,920

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	18,649	21,920
--	--------	--------

9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	449,981	459,033
Adjustments in respect of prior periods	26,053	-
Total current tax	476,034	459,033
Deferred tax		
Origination and reversal of timing differences	(8,843)	3,166
Total tax charge	467,191	462,199

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:

	2018 £	2017 £
Profit before taxation	1,523,755	1,695,778
Expected tax charge based on the standard rate of corporation tax in the UK of 29.41% (2017: 25.09%)	448,136	425,471
Tax effect of expenses that are not deductible in determining taxable profit	11,114	38,366
Tax effect of utilisation of tax losses not previously recognised	(12,217)	-
Permanent capital allowances in excess of depreciation	22,759	(1,660)
Other short term timing differences	(2,601)	22
Taxation charge	467,191	462,199

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

10 Dividends

	2018 £	2017 £
Final paid	129,930	67,600
Interim paid	811,500	697,500
	<u>941,430</u>	<u>765,100</u>

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 July 2017 and 30 June 2018	<u>12,097</u>
Amortisation and impairment	
At 1 July 2017 and 30 June 2018	<u>12,097</u>
Carrying amount	
At 30 June 2018	-
At 30 June 2017	-

The company had no intangible fixed assets at 30 June 2018 or 30 June 2017.

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

12 Tangible fixed assets

Group	Land and buildings Short Leasehold	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 July 2017	310,811	124,700	285,770	721,281
Additions	-	26,960	3,769	30,729
Transfers	-	109,813	(109,813)	-
Exchange adjustments	(975)	(2,460)	(2,240)	(5,675)
At 30 June 2018	309,836	259,013	177,486	746,335
Depreciation and impairment				
At 1 July 2017	176,794	64,786	216,116	457,696
Depreciation charged in the year	60,962	46,998	7,784	115,744
Transfers	-	68,015	(68,015)	-
Exchange adjustments	(49)	(1,491)	(1,034)	(2,574)
At 30 June 2018	237,707	178,308	154,851	570,866
Carrying amount				
At 30 June 2018	72,129	80,705	22,635	175,469
At 30 June 2017	134,017	59,914	69,654	263,585

The company had no tangible fixed assets at 30 June 2018 or 30 June 2017.

13 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	14	-	-	65,177	85,670

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

13 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 July 2017 and 30 June 2018

85,670

Impairment

At 1 July 2017

-

Impairment losses

20,493

At 30 June 2018

20,493

Carrying amount

At 30 June 2018

65,177

At 30 June 2017

85,670

A decision was made to close the Hong Kong office which had not been performing in line with the other offices. The company is consolidated in the group financial statements but fully written down in the company financial statements.

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

14 Subsidiaries

Details of the company's subsidiaries at 30 June 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bespoke Career Management (Los Angeles)	1601 Vine Street, 6th Floor, Los Angeles, CA 90028	Recruitment consultants	Ordinary	60.00	
Bespoke Career Management (Melbourne) Pty Ltd	Level 3, 517 Flinders Lane, Melbourne, VIC 3000	Recruitment consultants	Ordinary	60.00	
Bespoke Career Management Inc	116 Nassau Street, Suite 501, New York, 10038	Recruitment consultants	Ordinary	60.00	
Bespoke Career Management Limited	58 St Johns Square, London, EC1V 4JG	Recruitment consultants	Ordinary	100.00	
Bespoke Career Management Ltd	The Hive, 19/F The Phoenix, 23 Luard Rd, Wan Chai, Hong Kong	Recruitment consultants	Ordinary	100.00	
Bespoke Career Management Pty Ltd	Suite 6, Level 3, 2-12 Foveaux Street, Surry Hills, Sydney, 2010	Recruitment consultants	Ordinary	60.00	

The investments in subsidiaries are all stated at cost.

15 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,902,127	1,655,992	206,102	895,385
Carrying amount of financial liabilities				
Measured at amortised cost	561,206	543,846	3,900	3,674

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

16 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	1,626,383	1,095,569	-	-
Corporation tax recoverable	-	21,600	-	-
Amounts owed by group undertakings	-	-	206,102	715,385
Other debtors	51,720	287,009	-	180,000
Prepayments and accrued income	155,383	169,616	-	2,422
	<u>1,833,486</u>	<u>1,573,794</u>	<u>206,102</u>	<u>897,807</u>
Amounts falling due after more than one year:				
Other debtors	<u>224,024</u>	<u>273,414</u>	<u>-</u>	<u>-</u>
Total debtors	<u>2,057,510</u>	<u>1,847,208</u>	<u>206,102</u>	<u>897,807</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts		-	414	-	-
Trade creditors		167,714	185,016	-	-
Corporation tax payable		129,057	193,917	-	-
Other taxation and social security		626,224	532,895	-	-
Other creditors		132,931	119,745	-	-
Accruals and deferred income		260,561	222,398	3,900	3,674
		<u>1,316,487</u>	<u>1,254,385</u>	<u>3,900</u>	<u>3,674</u>

18 Creditors: amounts falling due after more than one year

	Group 2018 £	2017 £	Company 2018 £	2017 £
Other creditors	<u>-</u>	<u>16,273</u>	<u>-</u>	<u>-</u>

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

19 Deferred taxation

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

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	18,893	27,736

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 July 2017	27,736	-
Credit to profit or loss	(8,843)	-
Liability at 30 June 2018	18,893	-

20 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	321,614	228,514

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.

21 Share capital

	Group and company 2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of 10p each	100	100

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

22 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 2018 £	2017 £	Company 2018 £	2017 £
Within one year	209,275	211,433	-	-
Between two and five years	586,514	674,204	-	-
In over five years	115,268	240,268	-	-
	<u>911,057</u>	<u>1,125,905</u>	<u>-</u>	<u>-</u>

23 Directors' transactions

Dividends totalling £941,430 (2017 - £765,100) were paid in the year in respect of shares held by the company's directors.

24 Controlling party

The ultimate controlling party is L Urquhart-Turton who is a director and the sole shareholder of the company.

25 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	1,056,564	1,233,579
Adjustments for:		
Taxation charged	467,191	462,199
Investment income	(18,649)	(21,920)
(Gain)/loss on disposal of tangible fixed assets	-	612
Amortisation and impairment of intangible assets	-	2,418
Depreciation and impairment of tangible fixed assets	115,744	109,017
Movements in working capital:		
(Increase) in debtors	(231,902)	(255,056)
Increase in creditors	111,103	7,052
Cash generated from operations	<u>1,500,051</u>	<u>1,537,901</u>

BESPOKE CAREERS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

26 Cash generated from operations - company

	2018 £	2017 £
Profit for the year after tax	326,004	1,132,709
Adjustments for:		
Investment income	(434,502)	(1,137,527)
Amounts written off investments	94,357	-
Movements in working capital:		
Decrease/(increase) in debtors	691,705	(211,585)
Increase in creditors	226	1,050
Cash generated from/(absorbed by) operations	677,790	(215,353)