

**Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)**

Report and Financial Statements Year Ended 31 December 2016

Company Number 08876607



Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

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Gordon Dadds Talent Services Limited

(formerly Work Group Resources Limited)

**Report and financial statements
for the year ended 31 December 2016**

Directors

Simon Howard
Jeremy Davy
Adrian Biles

Secretary

Gordon Dadds Corporate Services Limited

Registered office

6 Agar Street
London
WC2N 4HN

Company number

08876607

Auditors

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

Chairman's message
for the year ended 31 December 2016

Chairman's message

The Company's day to day trading operations ceased on 31 December 2015 when the business and related assets were sold to Capita plc. As a consequence, the residual assets and liabilities remained with the Company and one of the major tasks for this year has been about the management of these to the Company's best advantage. The other significant task undertaken in the year was examining, at minimal cost to the Company, how to develop business for the Company going forward.

Since then the Company has run off the residual assets and liabilities left from the disposed business and I am pleased to report that this resulted in a small profit for the year.

We have engaged with a specialist firm in the back office management of contingent staff contracting and engaged with a number of major users of contract staff for contracts to manage their contracted staff. For a number of reasons we have not achieved a contract from this engagement but the results have encouraged us to continue to work with the specialist firm to achieve business in this area.

Our parent company, formerly Work Group plc, has more recently completed a reverse transaction to acquire a group including the law firm Gordon Dadds LLP, together with an equity fundraising to bring in additional working capital.

We believe that the enlarged group will enhance the prospects of successful development of new business for the Company.


Simon Howard

Chairman

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

Strategic report
for the year ended 31 December 2016

Business model

On 31 December 2015, the Company sold its operations and some of the assets to Capita Resourcing Limited, subsidiary of Capita plc.

Since then the Company has run off the residual assets and liabilities left from the disposed business and it has pursued and continues to pursue a number of opportunities for, and has now started, the provision of contingent contract staff.

Strategy and objectives

The core elements of the Company's strategy, following the disposal of its historic trading operations, have been to preserve and enhance shareholder value by managing residual assets and liabilities to its best advantage and seeking to develop a new revenue stream.

Financial Review

As the residual assets and liabilities have been managed down, it has been possible to release provisions created at the time of the sale of the Company's business, as detailed above and the development of potential new business has been achieved without any significant monetary expenditure.

The Company has reported earnings on ordinary activities before taxation of £0.112m (2015 loss £1.217m).

Principal risks and uncertainties

Following the sale of the Company's business on 31 December 2015 it ceased to have an operational trading activity.

Under the terms of the sale and purchase agreement the Company retained certain assets and liabilities which it has been managing to retain cash and minimise remaining liabilities, while seeking to develop a new business stream.

The ultimate parent, formerly Work Group plc, has recently completed a reverse takeover transaction and associated fundraising and this has the potential to enhance the new business stream.

Going concern

The Company has received a formal letter of support from its parent company, Gordon Dadds Group PLC (formerly Work Group plc).

For this reason, it is appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements.

Approval

This Strategic Report was approved by order of the Board on 28 June 2017.


Simon Howard
Director

Gordon Dadds Talent Services Limited

(formerly Work Group Resources Limited)

Directors' report for the year ended 31 December 2016

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

Principal activities

The principal activities of the Company from 1 August 2014 to 31 December 2015 were employer marketing services and recruitment process outsourcing services in the United Kingdom. Such trading activities and defined assets and liabilities were sold to Capita Resourcing Ltd under the terms of a sale and purchase contract on 31 December 2015.

Following this, from 1 January 2016, the Company has managed all residual assets and liabilities to preserve cash resources, and has been developing a new business stream in contingent staff contracting.

Directors

The sole director during the year was:
Simon Howard

Since the year end, Mr Adrian Biles was appointed a director on 25 September 2017 and Mr Jeremy Davy was appointed a director on 14 November 2017.

No director had any interest in the Ordinary shares of the Company except as shareholders in the ultimate parent company.

Simon Howard and Adrian Biles are also directors of the ultimate parent company, Gordon Dadds Group PLC (formerly Work Group plc), and their interests in the share capital of that company is shown in its financial statements.

Going concern

As the Company has a significant deficit on reserves, it is dependent upon support from its parent company, Gordon Dadds Group PLC (formerly Work Group plc). The Directors have received a formal letter of support from its parent company for the foreseeable future.

Accordingly, it is appropriate to prepare the report and financial statements on a going concern basis.

Dividends

Due to the absence of available distributable reserves, the directors are not able to recommend the payment of a dividend.

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

Directors' report
for the year ended 31 December 2016 (continued)

Directors' responsibilities

The directors are responsible for preparing the Directors' and Strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements and the Directors' report for each financial year. Under that law the Directors have prepared the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the 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 Director is 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 Company will continue in business.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Shareholdings

The Company is wholly owned by Gordon Dadds Group PLC (formerly Work Group plc).

Independent auditor and disclosure of information to auditors

BDO LLP were appointed as auditors of the Company on incorporation and were automatically re-appointed as auditors 28 days after the accounts for the year ended 31 December 2015 were sent to the members as no member exercised their rights under the Companies Act 2006 to prevent their re-appointment. On 8 November 2017, BDO LLP resigned as auditors of the Company and the directors appointed Saffery Champness LLP to become auditors to the Company.

For each of the persons who were Directors at the time this report was prepared, the following applies:

- So far as the Director is aware, there is no relevant audit information (i.e. information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- The Director has taken all steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board


Simon Howard
Director
28 June 2018

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Independent auditor's report to the member
for the year ended 31 December 2016**

Qualified opinion

We have audited the financial statements of Gordon Dadds Talent Services Limited for the year ended 31 December 2016 set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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. 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the financial statements:

- give a true and fair view of the state of affairs of the company as at 31 December 2016; and
- 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 of qualified opinion

We were unable to obtain sufficient appropriate audit evidence about the occurrence and accuracy of the company's operating expenses and profit on disposal of operations for the year because we were not provided with access to the corresponding financial records. Consequently we were unable to determine whether any material adjustments to these amounts were necessary.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Independent auditor's report to the member
for the year ended 31 December 2016 (continued)**

-
- the Strategic Report and the Directors Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters 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

Saffery Champness LLP

Michael Strong (Senior Statutory Auditor)
For and on behalf of
Saffery Champness LLP
Chartered Accountants
Statutory Auditors
28 June 2018

71 Queen Victoria Street
London
EC4V 4BE

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Statement of comprehensive income
for the year ended 31 December 2016**

	Note	Total 2016 £'000	Continuing operations 2015 £'000	Discontinued operations 2015 £'000	Total 2015 £'000
Turnover	3	-	-	3,909	3,909
Cost of sales		-	-	(1,867)	(1,867)
Gross Profit		-	-	2,042	2,042
Operating expenses		(46)	-	(2,624)	(2,624)
Profit / (loss) on disposal of operations	5	158	-	(511)	(511)
Exceptional item	8	-	-	(119)	(119)
Operating profit /(loss)	4	112	-	(1,212)	(1,212)
Interest payable and similar charges		-	-	(5)	(5)
Profit / (loss) on ordinary activities before taxation		112	-	(1,217)	(1,217)
Taxation on profit / loss on ordinary activities	9	-	-	-	-
Profit / (loss) for the year		112	-	(1,217)	(1,217)
Total comprehensive profit / (loss)		112	-	(1,217)	(1,217)

The notes on pages 11 to 19 form part of these financial statements

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Statement of financial position
as at 31 December 2016**

		2016	2015
	Note	£'000	£'000
Assets			
Fixed assets			
Property, plant & equipment	10	-	2
Liabilities			
Current liabilities			
Trade and other payables	13	(2,244)	(2,358)
Net current liabilities		(2,244)	(2,358)
Net liabilities		(2,244)	(2,356)
Shareholders' equity			
Ordinary share capital	14	-	-
Retained (losses)		(2,244)	(2,356)
Shareholders' liabilities		(2,244)	(2,356)
Equity attributable to owners of the parent company		(2,244)	(2,356)

The financial statements were approved by the Board of Directors on 28 June 2018 and signed on its behalf by:



Simon Howard
Director

The notes on pages 11 to 19 form part of these financial statements.

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Statement of changes in equity
as at 31 December 2016**

	Share capital	Retained losses	Total equity
	£'000	£'000	£'000
At 1 January 2015	-	(1,139)	(1,139)
Loss for the year	-	(1,217)	(1,217)
At 31 December 2015	<u>-</u>	<u>(2,356)</u>	<u>(2,356)</u>
 At 1 January 2016	 -	 (2,356)	 (2,356)
Profit for the year	-	112	112
At 31 December 2016	<u>-</u>	<u>(2,244)</u>	<u>(2,244)</u>

Gordon Dadds Talent Services Limited

(formerly Work Group Resources Limited)

Notes forming part of the financial statements for the year ended 31 December 2016

1 Accounting policies

Gordon Dadds Talent Services Limited is a private company limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 - Statement of Cash Flows for group and company
- the requirements of Section 3 - Financial Statement Presentation paragraph 3.17 (d)
- the requirements of Section 11 - Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Section 12 - Other Financial Instruments paragraphs 12.26 to 12.29

This information is included in the consolidated financial statements of Work Group Plc as at 31 December 2016 and these financial statements may be obtained from Companies House.

Going concern

The Company has been dependent upon the financial support of its parent company. A formal letter of support for the foreseeable future has been received from Gordon Dadds Group plc.

For this reason, the Company continues to adopt the going concern basis in preparing the annual report and financial statements.

Revenue and cost of sales

Revenue is stated net of value added tax.

Revenue is recognised when the right to the consideration is earned based on the terms of each client contract agreement. Revenue from advertising is recognised after the cover date of an advertisement is established or the right to cancellation of an advertisement has expired.

Unbilled revenue on client assignments is included as accrued income within trade and other receivables. Where individual on-account billings exceed revenue recognised on client assignments, the excess is classified as deferred income within trade and other payables.

Certain client contracts allow for volume discounts and are dependent on the value of media purchased through the Company. The discounts are provided for during the year based on anticipated media spend.

Cost of sales represents costs from third party suppliers.

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)**

1 Accounting policies (continued)

Exceptional items

Exceptional items are those income or costs recognised as one-off or non-recurring in nature, and substantial in size. The separate reporting of exceptional items helps provide a better indication of the Company's underlying business performance.

Fixed assets and depreciation

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Fixtures and fittings	20%
Computer equipment	33%

Intangible assets

Intangible assets, representing cost of software to operate the Company's ERP system, is stated at historic purchase cost less accumulated amortisation. The asset is amortised on a straight-line basis over its expected useful life at 20% per annum.

Impairment of fixed assets and other intangibles

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

At the end of 2015, the remaining assets after the disposal of all the operations for which a buyer had not been identified, were impaired as they were not necessary for the operations and their value was estimated unrecoverable.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within net operating expenses in the income statement.

Foreign currency translation

Foreign currency transactions are translated into pounds sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses due to intercompany balances at period end are presented in the Income Statement within 'other operating income or loss'.

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)**

1 Accounting policies (continued)

Share based payments

The parent company issued equity-settled, share-based payments, in the form of share options, to certain employees. In accordance with FRS 102, such options are measured at fair value at the date of grant. Fair value is measured using the Black-Scholes pricing model and is expensed on a straight line basis in the income statement over the vesting period, based on the Group's value of these options at the grant date and estimate of the number of shares that will eventually vest. All expired at 31 December 2015 under the terms of the sale and purchase agreement with a wholly-owned subsidiary of Capita plc.

Taxation

The charge for taxation is based on the result for the year and takes into account deferred taxation.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised, without discounting, in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- The recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.
- Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Pension costs

The Company operated a defined contribution scheme until the sale of its business in December 2015, the costs of which are recognised in the income statement in the period in which they relate. The assets of the scheme were held separately from those of the Company in an independently administered scheme.

Dividends

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

Reserves

The Company's reserves are as follows:

- Ordinary share capital represents the nominal value of the shares issued.
- Retained earnings / (losses) represent cumulative profits or losses, net of dividends paid and other adjustments.

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)**

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment or write off of current assets or liabilities. In 2015, after the disposal of operations, all assets and liabilities related to the current business have been written off against 'Other operating loss'. The Company's plans for the development of a new activity are not yet sufficiently advanced for the Directors to reconsider this view.

3 Turnover

Following the sale of its business and certain assets to Capita Resources Limited on 31 December 2015 the Company ceased to have an active trade. As a result, revenue for the year ended 31 December 2015 has been classified as Discontinued. No revenue arose in the year ended 31 December 2016.

4 Operating profit/(loss)

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Operating profit/(loss) is stated after charging/(crediting):		
Depreciation on plant, property and equipment - owned	2	65
Amortisation of intangible assets	-	22
Impairment of:		
- tangible assets	-	22
- intangible assets	-	77
Operating lease rentals:		
- plant and machinery	7	22
- land and buildings	-	244

The audit costs for this entity have been borne by the parent company and recharged.

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)**

5 Profit/(loss) on disposal of operations and related costs

On 31 December 2015, the Company disposed of its operations, as well as some of its assets and liabilities as part of a sale agreement to Capita Resources Limited. Further to this transaction, the Company no longer had any operating business activity. A review of the balance sheet has been performed and all the items relating to operations, that were not transferred to the purchasers, have been written off against 'Other operating profit/(loss)'.

In 2015, the loss on the disposal of operations has been determined by the difference between the sale price and the accounting value of the assets and liabilities transferred as part of the transaction.

	2016	2015
	£'000	£'000
Profit/(loss) on disposal is calculated as:		
Release of provisions	158	-
Consideration received		270
Advance billing transferred		49
Sub-total	<u>158</u>	<u>319</u>
Prepayments		(9)
Settlement of inter-company with overseas affiliates sold to Capita International Limited		(771)
Net value, after depreciation, of fixed assets transferred		(27)
WIP balances transferred		(23)
Reported profit/(loss) in year	<u>158</u>	<u>(511)</u>

6 Employees

Staff costs (including directors) were as follows:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Wages and salaries	-	1,377
Social security costs	-	247
Other pension costs	-	69
	<u>-</u>	<u>1,693</u>

The average number of employees, during the year was nil (2015: 49).

7 Directors' remuneration

The Company's director during the year was employed by the parent company Gordon Dadds Group PLC (formerly Work Group plc). All remuneration for the director is shown in the Work Group plc financial statements in the Directors' remuneration report.

No emoluments for the director have been recharged to the Company in 2016. No disclosure has been given for the aggregate remuneration of the key management personnel of the Company, as his remuneration is included in the total for the group as a whole.

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)**

8 Other operating loss and loss on disposal of operations

On 31 December 2015, the Company disposed of its operations, as well as some of its assets and liabilities, as part of a sale agreement to Capita Resources Limited. Further to this transaction, the Company has no active business activity in the period. A review of the balance sheet was performed and the remaining assets were impaired in the prior year.

The profit / (loss) on the disposal of operations has been determined by the difference between the sale price and the accounting value of the assets and liabilities transferred as part of the transaction.

	£'000	£'000
	2016	2015
Loss on disposal of operations (see Note 5)	158	(511)
Exceptional item:-		
Impairment	-	(99)
One off costs	-	(20)
Total	158	(630)

All the above costs related to discontinued activities.

9 Taxation

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Current tax and total tax	-	-

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date. The standard rate of corporation tax in the UK for the year was 20.00% (2015: 20.25%), having qualified for the small profits tax rate. The differences are explained below:

	2016 £'000	2015 £'000
Profit / (loss) before taxation	112	(1,217)
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 20.00% (2015 :20.25%)	22	(246)
Effects of:		
Expenses not deductible for tax purposes	0	24
Losses (utilised)/ not utilised	(22)	222
Tax charge	-	-

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

10 Tangible assets

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 31 December 2015 and 2016	194	164	358
Accumulated depreciation and impairment			
At 31 December 2015	192	164	356
Charge for the year	2	-	2
At 31 December 2016	194	164	358
Net book value			
At 31 December 2016	-	-	-
At 31 December 2015	2	-	2

Assets were sold to Capita Resourcing Ltd as part of the sale agreement dated 31 December 2015. The residual assets owned by the company were impaired as the Company ceased to trade its employee marketing services and recruitment process outsourcing business.

11 Intangible assets - Software

Cost	£'000
At 31 December 2015 and 2016	108
Amortisation and impairment	
At 31 December 2015 and 2016	108
Net book amount	
At 31 December 2015 and 2016	-

12 Cash and cash equivalents

Cash is exclusively cash in bank. At the year-end 2015 there was a bank overdraft which is shown in Note 13 under creditors. At 31 December 2016 there was no cash balance or overdraft.

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

13 Trade and other payables

	2016 £'000	2015 £'000
Trade payables	34	317
Taxation and social security costs	-	268
Other payables	25	33
Accruals and deferred income	27	279
Amounts owed to group undertakings	2,158	1,456
Bank overdraft	-	5
Trade and other payables	<u>2,244</u>	<u>2,358</u>

14 Share capital and reserves

The share is owned by Work Group plc and was issued on incorporation.

	2016 Number	2015 Number	2016 £	2015 £
Ordinary shares of £1 each	1	1	1	1

All ordinary shares rank pari passu in all respects and are entitled to equal voting rights, equal participation in any distribution of profits and to participate equally in any distribution upon a winding up.

All reserves represent the accumulated trading result of the Company after any distributions.

15 Related party transactions

Prior to the sale of its business to a subsidiary of Capita plc on 31 December 2015, the Company conducted numerous transactions with its parent company, Gordon Dadds Group PLC (formerly Work Group plc), and sister companies Work Group Inc. in New York and Work Group Limited in Hong Kong. Subsequent to the sale no transactions took place during the year ended 31 December 2016.

The Company is principally funded through the inter-company account with its parent company. In 2016 services provided by the parent company were provided at nil charge

In total, £2,158m (2015: £1,456m) was owing to Work Group plc at 31 December 2016.

16 Capital commitments

There are no capital commitments in either 2016 or 2015.

Gordon Dadds Talent Services Limited
(formerly Work Group Resources Limited)

**Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)**

17 ESOP shares

The Employee share ownership plan (ESOP) was established in 2003 and renewed in 2010 by Gordon Dadds Group PLC (formerly Work Group plc), the parent company of the Company to provide for the future obligations of the Company for shares awarded under the Share Options Scheme. Under the scheme, the trustee, Louvre Trustee Limited, purchased the Company's ordinary shares in the market using a loan granted by its parent.

At 31 December 2015, this plan expired as part of the sale agreement to Capita and the TUPE of the Company's employees.

18 Ultimate parent company

At 31 December 2016, the Company's ultimate parent company was Gordon Dadds Group PLC (formerly Work Group plc).

Copies of the consolidated financial statements of Work Group plc are available from Companies House.

19 Post balance sheet events

On 4 August 2017 Gordon Dadds Group PLC (formerly Work Group plc), the parent company, acquired control of Culver Holdings Limited (formerly Gordon Dadds Group Limited).