

Company registration number: 04526207

RIG Medical Recruit Limited

Directors' report and financial statements

Year ended 30 June 2020



RIG Medical Recruit Limited

Directors' report and financial statements

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RIG Medical Recruit Limited

Directors and other information

Directors A Heraty
M Buckley (resigned 30 September 2019)
Lorna Conn (appointed 30 September 2019)
A Khan
R Bryan

Secretary Tughans Company Secretarial Limited
Marlborough House
30 Victoria Street
Belfast
BT1 3GG

Company number 04526207

Registered office Northside House
69 Tweedy Road
Bromley
Kent
BR1 3WA
England

Auditor KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

Bankers Barclays
4th Floor, Apex Plaza
Forbury Road
Reading
RG1 1AX

RIG Medical Recruit Limited

Strategic report

Principal activities

The principal activity of the Company in the year under review was that of placement and employment of staff within the healthcare sector.

Business review

RIG Medical is a leading healthcare recruitment company in the UK, with a focus on contract and permanent placements in nursing, speech & language therapy, occupational therapy, diagnostic radiography, and physiotherapy.

During the first half of the year, the business was trading profitably, and Net Fee Income was growing compared to the prior year. However, the second half of the year has been severely impacted by the Covid-19 pandemic. With hospitals full of patients infected with the Corona virus, many elective procedures were postponed, which in turn reduced job flow dramatically. With lockdowns in place it also reduced access to candidates from Australia and New Zealand, a traditional source of new contractors. Management took immediate action to reduce overheads which has, to a large degree, mitigated the financial loss for the full year. Tight cash controls have also meant to the company ended the year with a positive cash balance and no bank borrowings.

The results of the Company for the year are set out in the statement of profit and loss account and other comprehensive income and balance sheet on pages 10 and 11 respectively and in the related notes.

Principal risks and uncertainties

Interest rates

The Company uses various sources of funds, such as loans and invoice discounting. The main purpose is to raise finance for the Company's operations. The existence of these sources of funding exposes the Company to interest rate risks. However, the Company is not highly geared and could therefore withstand a significant increase in interest rates.

Fluctuations in currency exchange rates

The Company is exposed to foreign currency fluctuations. The group manages its foreign exchange exposure on a net basis and maintains foreign currency bank accounts to receive cash and transfers funds into its GBP account at favourable rates to reduce the exposure.

Liquidity risk

The Company actively maintains an appropriate level of liquidity through a suitable amount of cash in hand and an invoice financing facility that is monitored daily. Rig Medical Recruit Ltd is also a subsidiary of a much larger and successful Group: Cpl Resources Plc, and therefore has access to additional intercompany funding should it be required.

Credit risk

The Company's principal financial assets are cash and trade debtors. To manage credit risk all customers are credit checked on a regular basis. Debtor ageing reports are reviewed weekly by the management team and by the board of the company. In addition, most of RIG Medical Recruit's customers are NHS Trusts which are funded and supported by the UK Government and are therefore very low risk.

Financial key performance indicators

The directors use the following key performance indicators to assess the performance of the Company:

- Contract Net Fee Income (NFI), being the net revenue after deducting direct costs,
- Conversion of NFI to EBITDA,
- Sales, NFI and Earnings Before Interest and Tax (EBIT) growth versus prior year.
- EBIT and EBIT margin.

RIG Medical Recruit Limited

Outlook and strategy

While the Covid-19 pandemic has significantly impacted the 2020 financial performance it has led to a significant increase in waiting lists in the NHS. Once the nationwide vaccination programme starts to reduce the number of Covid patients in hospital, we believe there will be major investment to reduce waiting lists and this will have a very positive impact on job flow. In addition, when international borders start to re-open this will increase the supply of overseas candidates. Both factors should help increase the company's NFI and PBT back to and beyond pre-pandemic levels.

On behalf of the board



Aftab Khan
Director

19th March 2021

RIG Medical Recruit Limited

Directors' report

The directors present their directors' report and the financial statements of the Company for the year ended 30 June 2020.

The Company, which is a majority owned subsidiary of Cpl Resources Plc (91%), Aftab Khan (7%) and Robert Bryan (2%), is involved in the sourcing and placement of staff, principally with a medical background. The directors are satisfied with the performance of the Company and it is the intention of the directors to continue to develop the activities of the Company.

The results of the Company for the year are set out in the statement of profit and loss account and other comprehensive income and balance sheet on pages 10 and 11 respectively and in the related notes.

Directors

The Directors during the year were Anne Heraty, Mark Buckley (resigned 30 September 2019 and was replaced by Lorna Conn on that date), Aftab Khan and Robert Bryan.

There have been no other changes in directors during the year.

The beneficial interests of the directors and secretary in the share capital of the Company at the beginning and in office in the year ended 30 June 2020 were as follows:

	Ordinary shares of £0.10 each	
	2020	2019
Aftab Khan (C ordinary)	769,308	769,308
Robert Bryan (D ordinary)	219,802	219,802
Anne Heraty	-	-
Mark Buckley (resigned 30 September 2019)	-	-
Lorna Conn (appointed 30 September 2019)	-	-

The beneficial interests of the directors and secretary in the share capital of the parent company (Cpl Resources Plc) at the beginning and in office at the period end were as follows:

	Ordinary shares of €0.10 each	
	2020	2019
Anne Heraty	8,092,264	8,092,264
Mark Buckley (resigned 30 September 2019)	-	126,793
Lorna Conn (appointed 30 September 2019)	-	-
Aftab Khan	-	-
Robert Bryan	-	-

Lorna Conn (appointed 30 September 2019) was awarded 50,000 Long Term Incentive Plan III awards during the year ended 30 June 2018, with a vesting date of 18 September 2020. No other awards to directors were awarded, exercised, forfeited or vested in the year.

Except as disclosed above, none of the directors, the secretary, nor their families had any beneficial interest in the share capital of the Company, its holding company, or any of its fellow group undertakings at 30 June 2020 or 30 June 2019.

There have been no contracts or arrangements entered into during the financial period in which a director of the Company was materially interested and which were significant in relation to the Company's business.

RIG Medical Recruit Limited

Directors' report (continued)

Dividends

The directors do not recommend payment of a dividend (2019: £Nil).

Post balance sheet events

On 4 November 2020, Cpl Resources and Outsourcing Inc. announced that they had reached an agreement on the terms of a cash offer for Cpl Resources plc by Outsourcing Inc. pursuant to which Outsourcing Talent Ireland Limited, a wholly owned subsidiary of Outsourcing Inc., would acquire the entire issued and to be issued share capital of Cpl Resources plc. The transaction was implemented by way of a scheme of arrangement under Chapter 1 of Part 9 of the Companies Act 2014 and became effective on 21 January 2021 with the result that CPL Resources plc is now a wholly owned subsidiary of Outsourcing Talent Ireland Limited.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2019: £Nil).

Disclosure of information to auditor


The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware:

- there is no relevant audit information of which the Company's statutory auditor is unaware; and
- each director has taken all the steps that (he/she) ought to have taken as a director to make (himself/herself) aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006 the auditor, KPMG, Chartered Accountants, will be deemed to be reappointed and therefore will continue in office

On behalf of the board



Aftab Khan
Director

RIG Medical Recruit Ltd
Northside House
69 Tweedy Road
Bromley
Kent
BR1 3WA

19th March 2021

RIG Medical Recruit Limited

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' strategic 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 they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

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 the year ended 30 June 2020. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



Aftab Khan
Director

19th March 2021



KPMG
Audit
1 St. Stephen's Green
Dublin 2
D02 D5C0
(Ireland)

Independent auditor's report to the members of RIG Medical Recruit Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of RIG Medical Recruit Limited ("the Company") for the year ended 30 June 2020 set out on pages 10 to 25, which comprise the statement of profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been properly 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.



Independent auditor's report to the members of RIG Medical Recruit Limited (continued)

Report on the audit of the financial statements (continued)

Other information

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the Directors' report or the strategic report;
- in our opinion, the information given in the Directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the Directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 6, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of RIG Medical Recruit Limited (continued)

Respective responsibilities and restrictions on use (continued)

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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

19th March 2021

Colm O'Sé (Senior Statutory Auditor)
for and on behalf of
KPMG, Statutory Auditor
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

RIG Medical Recruit Limited

Statement of profit and loss account and other comprehensive income
for the year ended 30 June 2020

	Note	2020 £'000	2019 £'000
Turnover	2	19,888	23,692
Cost of sales		(15,556)	(19,188)
		<hr/>	<hr/>
Gross profit		4,332	4,504
Distribution costs		(51)	(118)
Administrative expenses		(4,307)	(4,644)
		<hr/>	<hr/>
(Loss) on ordinary activities before taxation		(26)	(258)
		<hr/>	<hr/>
Operating (loss)/profit		(26)	(258)
Interest payable and similar expenses		(79)	(84)
		<hr/>	<hr/>
(Loss) before taxation		(105)	(342)
Tax credit on ordinary activities	5	29	50
		<hr/>	<hr/>
(Loss) for the financial year		(76)	(292)
		<hr/>	<hr/>
Total comprehensive (loss) for the year		(76)	(292)
		<hr/>	<hr/>

The accompanying notes form an integral part of the financial statements.

RIG Medical Recruit Limited

Balance sheet

as at 30 June 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	6	13	-
Tangible assets	7	140	184
Right of use asset	8	1,053	-
		<hr/>	<hr/>
		1,206	184
Current assets			
Debtors	10	3,408	4,090
Cash at bank and in hand		33	1,296
		<hr/>	<hr/>
		3,441	5,386
Creditors: amounts falling due within one year	11	(2,844)	(4,618)
		<hr/>	<hr/>
Net Current Assets		597	768
		<hr/>	<hr/>
Total assets less current liabilities		1,803	952
Creditors: amounts falling due more than one year	12	(946)	-
		<hr/>	<hr/>
Net assets		857	952
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	20	20
Share premium		381	381
Profit and loss account		456	551
		<hr/>	<hr/>
Shareholders' funds		857	952
		<hr/>	<hr/>

The accompanying notes form an integral part of the financial statements.

These financial statements were approved by the board of Directors on 19th March 2021 and were signed on its behalf by:



Aftab Khan
Director

RIG Medical Recruit Limited

Statement of changes in equity
for the year ended 30 June 2020

	Called up share capital £'000	Profit and loss account £'000	Share premium £'000	Total £'000
At 1 July 2018	20	843	381	1,244
Loss for the year	-	(292)	-	(292)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2019	20	551	381	952
Adjustment on application of IFRS 16		(19)		(19)
	<hr/>	<hr/>	<hr/>	<hr/>
Restated balance at 1 July 2019	20	532	381	933
Loss for the year	-	(76)	-	(76)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2020	20	456	381	857
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes form an integral part of the financial statements.

RIG Medical Recruit Limited

Notes forming part of the financial statements

1. Accounting policies

RIG Medical Recruit Limited ("the Company") is a private limited company incorporated, domiciled and registered in the United Kingdom. The Company's registered office is Northside House, 69 Tweedy Road, Bromley, Kent, BR1 3WA, England and the registered number is 04526207.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Going concern

The financial statements have been prepared on a going concern basis.

Disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries; and
- the effects of new but not yet effective IFRSs.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Use of estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Particular areas which are subject to accounting estimates and judgements in these financial statements are the recoverability of trade receivables and accrued income, the recognition of revenue arising from temporary and permanent placements, and accruals.

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

1. Accounting policies (continued)

Consolidation

The Company's ultimate parent undertaking, Cpl Resources Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Cpl Resources plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Companies Registration Office, Bloom House, Gloucester Place Lower, Dublin 1.

Revenue recognition

A comprehensive review of the contracts that exist across the Company's revenue streams has been completed in order to understand the impact of IFRS 15 on our revenue recognition policies. Our Flexible Talent division revenue is recognised when the related hours have been worked. This policy is in line with the policy under IFRS15 whereby the contract obligations are settled over time and revenue is recognised in tandem with this. Revenue in respect of permanent placements is recognised when the candidate commences employment. This revenue is also unaffected by IFRS 15 as we have always recognised revenue once a performance obligation has been delivered i.e. at a point in time.

Revenue recognition applied before 1 July 2018

Revenue represents the fair value of amounts receivable for services provided in the normal course of business, net of trade discounts and Value Added Tax. Revenue in respect of permanent placements is recognised when the candidate commences employment. Revenue in respect of the Company's Flexible Talent division is recognised when the related hours have been worked. Revenue recognised but not yet billed is included as accrued income within receivables.

Taxation

The income tax expense comprises current and deferred tax. It is recognised in the statement of Profit & Loss and other comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Leases - accounting policy applied from 1 July 2019

The Company adopted IFRS 16 on 1 July 2019 and has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 to contracts that were previously defined as finance or operating leases. As a lessee, the Company leases assets such as land and buildings. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for

Notes forming part of the financial statements (continued)

1. Accounting policies (continued)

Leases - accounting policy applied from 1 July 2019

The Company adopted IFRS 16 on 1 July 2019 and has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 to contracts that were previously defined as finance or operating leases. As a lessee, the Company leases assets such as land and buildings. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for these leases. At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains a lease, if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset and a lease liability at the lease commencement date which is the date at which the asset is made available for use by the Company. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, restoration costs and lease payments at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated on a straight line basis over the shorter of its estimated useful life and the lease term. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised. Right-of-use assets are subject to impairment testing. The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate known at the commencement date, payments for a purchase option, payments for an optional renewal period and termination option payments if the Company is reasonably certain to exercise those options. The lease term is the noncancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management applies judgment in determining whether it is reasonably certain that a renewal or termination option will be exercised. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. The Company has elected to avail of the practical expedient not to separate lease components from any associated non-lease components. Lease liabilities are included in borrowings. The lease payments are discounted using the lessee's incremental borrowing rate as the interest rate imputant in the lease is generally not readily determinable. Incremental borrowing rates are determined using a build-up approach that uses externally benchmarked information adjusted to take consideration of the lessee's risk profile and the specific lease characteristics. These characteristics include the type of leased asset, the term of the lease and the currency of the lease. After the commencement date, the lease liability is measured at amortised cost using the effective interest method. It is remeasured if there is a modification, a change in future lease payments arising from a change in an index or rate, or if the Company changes its assessment of whether it is reasonably certain to exercise an option within the contract. The Company has elected to apply the recognition exemptions for short-term and low-value leases and recognises the lease payments associated with these leases as an expense in the Company Statement of Comprehensive Income on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less. Low-value leases comprise of motor vehicles.

Leases - accounting policy applied up to 1 July 2019

Previously, where the Company had entered into lease arrangements on land and buildings, the lease payments were allocated between land and buildings and each was assessed separately to determine whether it was a finance or operating lease. Finance leases, which transfer to the Company substantially all the risks and benefits of ownership of the leased asset, were capitalised at the inception of the lease at the fair value of the leased asset or if lower, the present value of the minimum lease payments. The corresponding liability to the lessor was included in the Balance Sheet as a finance lease obligation. Lease payments were apportioned between the finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were charged to the Company Statement of Comprehensive Income as part of financial expenses. Capitalised leased assets were depreciated over the shorter of the estimated useful life of the asset or the lease term.

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

1. Accounting policies (continued)

Transition

On transition to IFRS 16, the Company has elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the lessee's incremental borrowing rate at 1 July 2019. Right-of-use assets were measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application. The Company applied this approach for certain property leases. The Company applied the following practice expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. I Excluded initial direct costs from measuring the right-of-use asset at the date of initial application I Used hindsight when determining the lease term if the contract contained options to extend or terminate the lease I Relied on its assessment of whether leases were onerous under IAS 37, Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application to meet the impairment requirement. For leases previously classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 were determined as the carrying amount of the lease asset and lease liability under IAS 17 immediately before the date.

Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Tangible assets and depreciation

Tangible assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis to write off the cost less estimated residual values of tangible fixed assets over their estimated useful life as follows:

	Years
Equipment	5
Fixtures and fittings	5
Plant and machinery	5

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

1. Accounting policies (continued)

Basic financial instruments

Trade and contract assets

IFRS 9 prescribes an 'expected credit loss' (ECL) model for determining the basis of providing for bad debts.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

In the current year, the Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permit the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors if there is evidence to suggest that these factors affect the ability of the customer to settle the receivables.

An ECL model was prepared for 30 June 2019 and there was no material impact on the Company's financial statements when compared to the incurred loss model under IAS 39.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amounts of contract assets represent the maximum credit exposure.

Trade and other receivables applied before 1 July 2018

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less an allowance for any incurred losses. An estimate of incurred losses is made when collection of the full amount is no longer probable.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less. Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Ordinary shares are classified as equity.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

2. Turnover	2020	2019
	£'000	£'000

Turnover arises from:

Rendering of services	19,888	23,692
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The Company, which is a majority owned subsidiary of Cpl Resources Plc, is involved in the sourcing and placement of staff, principally with a medical background. All turnover arises from the provision of these services in the UK.

3. Directors' and Auditor's remuneration	2020	2019
	£'000	£'000

Directors' remuneration	99	139
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The highest paid director received £99,000 (2019: £139,000).

	2020	2019
	£'000	£'000
Auditor's remuneration	10	17

4. Staff numbers and costs

The average number of persons employed by the Company including the directors, amounted to:

	2020	2019
	No.	No.
Consultants, management and administration	74	99

The aggregate payroll costs incurred were:

	2020	2019
	£'000	£'000
Wages and salaries	2,451	2,389
Social security costs	344	251
Other pension costs	81	49
	2,876	2,689

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

5. Total tax (credit)/charge	2020 £'000	2019 £'000
Recognised in in profit and loss account		
Corporation tax:		
Adjustments in respect of prior periods	(3)	-
Total corporation tax	(3)	-
	2020 £'000	2019 £'000
Deferred tax:		
Origination and reversal of temporary differences	(15)	(56)
Adjustments in respect of prior period	(6)	
Impact of change in tax rates	(5)	6
Total corporation tax	(29)	(50)
Total tax (credit)/expense		
	2020 £'000	2019 £'000
Reconciliation of (credit)/expense		
(Loss) on ordinary activities before taxation	(105)	(342)
(Loss) on ordinary activities by rate of tax of 19%	(20)	(65)
Expenses not deductible for tax purposes	(5)	9
Group relief received	-	2
Adjustment in respect of prior periods	(9)	(2)
Impact of change in tax rates	(5)	6
Total tax (credit)/expense	(29)	(50)

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

6. Intangible assets

	Software £'000	Total £'000
Cost		
At 30 June 2019	-	-
Additions	20	20
	<hr/>	<hr/>
At 30 June 2020	20	20
	<hr/>	<hr/>
Depreciation		
At 30 June 2019	-	-
Charge for the period	7	7
	<hr/>	<hr/>
At 30 June 2020	7	7
	<hr/>	<hr/>
Net book value		
At 30 June 2020	13	13
	<hr/> <hr/>	<hr/> <hr/>
At 30 June 2019	-	-
	<hr/> <hr/>	<hr/> <hr/>

7. Tangible assets

	Plant and Machinery £'000	Total £'000
Cost		
At 30 June 2019	375	375
Additions	5	5
	<hr/>	<hr/>
At 30 June 2020	380	380
	<hr/>	<hr/>
Depreciation		
At 30 June 2019	191	191
Charge for the period	49	49
	<hr/>	<hr/>
At 30 June 2020	240	240
	<hr/>	<hr/>
Net book value		
At 30 June 2020	140	140
	<hr/> <hr/>	<hr/> <hr/>
At 30 June 2019	184	184
	<hr/> <hr/>	<hr/> <hr/>

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

8. Leases Amounts recognised in the Company Balance Sheet

The right of us asset included in the balance sheet is as follows:

	2020	2019
	£'000	£'000
Right-of-use asset	1,053	-
	<hr/>	<hr/>
	1,053	-
	<hr/>	<hr/>

The Company presents lease liabilities in borrowings in the Company Balance Sheet. The amounts included as follows:

	2020	2019
	£'000	£'000
<i>Lease liabilities</i>		
Current	136	-
Non current	946	-
	<hr/>	<hr/>
	1,082	-
	<hr/>	<hr/>

Additions to right-of-use assets during the year were €Nil.

Amounts recognised in the Company Statement of Comprehensive Income

The Company Statement of Comprehensive Income includes the following amounts relating to leases:

	2020	2019
	£'000	£'000
<i>Depreciation charge of right-of-use assets</i>		
Land and Buildings	140	-
	<hr/>	<hr/>
	140	-
	<hr/>	<hr/>

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

8. Leases Amounts recognised in the Company Balance Sheet (continued)

	2020	2019
	£'000	£'000
<i>Interest expense on lease liabilities</i>	27	-
Expenses relating to short term leases	161	258
Expenses relating to low value assets	11	7
	<hr/>	<hr/>
	199	265
	<hr/>	<hr/>

Leasing activities

The company enters into leases for a range of assets.

Comparative lease disclosures under IAS 17

Operating leases

Future minimum lease payments under operating leases were as follows:

	2020
	£'000
Less than one year	1,082
Between one and five years	573
Greater than five years	372
	<hr/>
	2,027

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

9. Impact on Financial Statements Impact on transition

On transition to IFRS 16, the Company recognised additional right-of-use assets and additional lease liabilities relating to operating leases, recognising the difference in retained earnings. The impact on transition is summarised below

	2020 £'000
Right-of-use assets	1,194
Lease liabilities presented in borrowings	(1,213)
	<hr/>
Retained Earnings	(19)
	<hr/>

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using the lessee's incremental borrowing rate at 1 July 2019. The weighted average rate applied was 2.25%. The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as at 30 June 2019 as follows:

	2020 £'000
Operating lease commitments 30 June 2019	-
Commitments of short-term and low-value assets	1,186
Effect of discounting	27
	<hr/>
Lease liabilities at 1 July 2019	1,213
	<hr/>

10. Debtors	2020 £'000	2019 £'000
Trade debtors	2,430	3,328
Amounts owed by group undertakings	305	159
Prepayments and accrued income	117	277
Other debtors	476	293
Tax Recoverable	18	-
Deferred tax (note 13)	62	33
	<hr/>	<hr/>
	3,408	4,090
	<hr/>	<hr/>

Amounts due from group companies are interest free and repayable on demand.

11. Creditors: amounts falling due within one year	2020 £'000	2019 £'000
Other creditors	51	2,245
Amounts owed to group undertakings	2,323	1,763
Trade creditors	-	20
Accruals and deferred income	219	326
VAT	56	201
PAYE	59	63
Lease Liabilities	136	-
	<hr/>	<hr/>
	2,844	4,618
	<hr/>	<hr/>

Amounts due to group companies are interest free, repayable on demand and unsecured.

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

12. Creditors: amounts falling due more than one year	2020 £'000	2019 £'000
Lease Liabilities	946	-
	946	-

Amounts due to group companies are interest free, repayable on demand and unsecured.

13. Deferred tax	2020 £'000	2019 £'000
At beginning of year	33	(17)
Credited/(charged) to profit and loss account	29	50
At end of year	62	33

A deferred tax asset has been recognised at 30 June 2020 and this is expected to be recovered base on future profits.

14. Authorised, issued, called up and fully paid

	2020	2019
Authorised share capital		
10,001,000 Ordinary shares of £0.001 each	10,001,000	10,001,000
769,308 Ordinary "C" shares of £0.01 each	769,308	769,308
219,802 Ordinary "D" shares of £0.01 each	219,802	219,802
578,427 Ordinary "E" shares of £0.001 each	578,427	578,427
	11,568,537	11,568,537
Issued share capital		
10,001,000 Ordinary shares of £0.001 each	10	10
769,308 Ordinary "C" shares of £0.01 each	8	8
219,802 Ordinary "D" shares of £0.01 each	2	2
	20	20

15. Capital commitments

There were no capital commitments at 30 June 2020 (2019: €Nil).

RIG Medical Recruit Limited

Notes forming part of the financial statements (continued)

16. Ultimate parent undertaking

The Company is a 91% subsidiary of Cpl Resources, a Company operating in the Republic of Ireland whose consolidated financial statements in which the results of the Company are consolidated are available from the Companies Registration Office, Bloom House, Gloucester Place Lower, Dublin 1. As described in note 17, Cpl Resources was acquired by Outsourcing Inc on 21 January 2021 which is now the Company's ultimate parent undertaking¹.

17. Post Balance Sheet Event

On 4 November 2020, Cpl Resources and Outsourcing Inc. announced that they had reached agreement on the terms of a cash offer for Cpl Resources plc by Outsourcing Inc. pursuant to which Outsourcing Talent Ireland Limited, a wholly owned subsidiary of Outsourcing Inc., would acquire the entire issued and to be issued share capital of Cpl Resources plc. The transaction was implemented by way of a scheme of arrangement under Chapter 1 of Part 9 of the Companies Act 2014 and became effective on 21 January 2021 with the result that CPL Resources plc is now a wholly owned subsidiary of Outsourcing Talent Ireland Limited.

18. Approval of financial statements

The board of Directors approved these financial statements for issue on 19th March 2021.