

**Teleperformance Limited**

**Annual report and financial statements**

**Registered number 02060289**

**31 December 2015**

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## Strategic Report

The directors present their strategic report for the year ended 31 December 2015.

### Principal activities

The Company provides outsourced customer service and CRM, Customer Acquisition, Technical Assistance, and Back Office Solutions. These services are provided from Bristol, Bangor, Newry, Ashby-de-la-Zouch, Gateshead, Airdrie, Glasgow, Erskine and Kilmarnock locations, along with a number of clients' own sites. Contact centres can deal with clients' customers through a wide variety of medium including voice, e-mail, SMS and social media.

The Company is part of the largest outsourced Customer Service and CRM organisations in the world, Teleperformance SE.

### Review of business and future developments

#### *Business Focus*

The 12 month period to 31 December 2015 has been another period of significant progress for the Company. The business continues to focus on its core business of offering top quality contact centres on behalf of major public and private sector clients. It is now well established as the biggest "pure play" outsourced contact centre provider in the UK market and has an excellent reputation in the industry.

The successful restructuring of the business a few years previously has enabled the Group to concentrate on efficient resource allocation and effective service delivery to clients on a day-to-day, hour-by-hour basis. As a result, the Company continues to deliver a top quality, high grade service to its clients and their customers whilst achieving strong revenue growth in the tough, UK economic environment in which it operates.

#### *Key Developments*

On 31 December 2015, the Company transferred in the trade and assets of City Park Technology Centre Limited, which it had acquired in the previous financial year. This transfer allows the Company to provide even bigger and better outsourced contact centre customer service and customer acquisition support services to its wide range of private and public sector clients. The Company is committed to rolling out best practice in standards, policies and procedures of the wider global Teleperformance Group.

#### *IT Infrastructure*

Rationalisation of IT and telephony suppliers has enabled the Company to drive through improvements in the business IT infrastructure. On-going investment in the two offsite Data Centres has helped to achieve both cost savings and improved resilience across the whole Company estate. Additional expansion in this area will ensure that the Company is in a strong position deliver anticipated revenue and profitability growth plans.

#### *Security, Risk and Compliance*

The global Teleperformance Group recognise the ongoing risks pertaining to data protection, fraud and physical security and is rolling out the delivery of increased control through the "Global Essential Security Policies" (GESP) programme. Teleperformance Limited and its subsidiaries follow the same GESp programme across all of its locations in order to further protect the Company, its clients and employees from these exposures. This will be achieved by improving policies, enhancing procedures and tightening controls and in doing so, ensure that it continues to lead the market by helping to mitigate the associated risks.

## Strategic report *(continued)*

Turnover for the year increased by 4% to £181m and continues to be derived primarily from UK based clients. The increase in the year was delivered from growth in the existing client base, a number of new business wins and continued outsourcing to offshore locations in Portugal and South Africa.

The gross margin in the year was impacted by the continuing tough UK economic climate. Despite these challenging conditions, overhead cost ratios improved compared with the previous year.

Operating profit of £10,389,000 was down slightly on the previous year (2014: £11,179,000 profit).

On 31 December 2015, the Company transferred in the trade and assets of fellow Group company, City Park Technology Centre Limited. The resulting larger company will ensure that Teleperformance continues to service all of the existing client base and give the Company an even bigger presence in the UK contact centre industry. Management will seek to grow the business with both new and existing clients.

Management use Key Performance Indicators (KPIs) to monitor the results of the business. The detail of the KPIs has not been published in this review due to their sensitivity, but include new business pipeline, utilisation and margins.

Continued significant investment in the IT infrastructure and security protection environment, in particular the established offsite Data Centres, will further improve quality and resilience of the service provision. Investment and operating strategies will be continually reviewed and amended to match client needs.

By order of the board,



A Niederer  
Director

Spectrum House  
Bond Street  
Bristol  
BS1 3LG

29 Apr. | 2016

## Directors' report

The directors present their report with the accounts of the Company for the 12 month period ended 31 December 2015.

### Dividends

The total distributions of dividends for the 12 month period ending 31 December 2015 was £nil (2014: £nil).

### Directors

The directors who served during the period and up to the date of approval of these financial statements were:

A C Ashton (resigned 9 July 2015)  
A Niederer  
J L Powles (appointed 16 July 2015)

### Political and charitable donations

No political contributions were made during the period (2014: £nil). Contributions for charitable purposes amounted to £nil (2014: £nil).

### People with disabilities

It is the policy of the Company to encourage the employment and development of suitable people with disabilities. No unnecessary limitations are placed on the type of work that they perform and the policy ensures that in appropriate cases consideration is given to modifications to equipment or premises and to adjustments in working practices. Full and fair consideration will be given to applicants with disabilities for employment and existing employees who become disabled will have the opportunity to retrain and continue in employment.

### Employee involvement

The Company is committed to informing and consulting with its employees. There are dedicated forums on each of the sites which directly encourage employee involvement in the performance of the Company. Periodic internal road shows raise awareness of the financial and economic factors which the Company faces.

The Company's aim for all members of staff and applicants for employment is to fit the qualifications, aptitude and ability of each individual to the appropriate job and to provide equal opportunity regardless of sex, religion and ethnic origin.

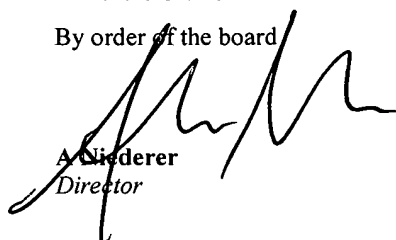
### Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make them self 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 will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

  
A Niederer  
Director

Spectrum House  
Bond Street  
Bristol  
BS1 3LG

29 April 2016

## **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including 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 that period. 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

10/11/15



**KPMG LLP**

100 Temple Street  
Bristol  
BS1 6AG  
United Kingdom

## **Independent auditor's report to the members of Teleperformance Limited**

We have audited the financial statements of Teleperformance Limited for the year ended 31 December 2015 set out on pages 7 to 30. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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.

### **Respective responsibilities of directors and auditor**

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Independent auditor's report to the members of Teleperformance Limited** *(continued)*

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion 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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Nicholas Hall (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

KPMG LLP  
100 Temple Street  
Bristol  
BS1 6AG

1 June 2016



**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2015*

	<i>Note</i>	<b>2015 £000</b>	<b>2014 £000</b>
<b>Turnover</b>	<b>3</b>	<b>181,183</b>	174,523
Cost of sales		(128,932)	(120,246)
<b>Gross profit</b>		<b>52,251</b>	54,277
Administrative expenses		(41,897)	(43,066)
Other operating income/(expenses)	<b>4</b>	<b>35</b>	(32)
<b>Operating profit</b>	<b>5</b>	<b>10,389</b>	11,179
Other interest receivable and similar income	<b>8</b>	<b>83</b>	139
Interest payable and similar charges	<b>9</b>	<b>(1,730)</b>	(1,157)
<b>Profit on ordinary activities before taxation</b>		<b>8,742</b>	10,161
Tax	<b>10</b>	<b>(1,846)</b>	(2,475)
<b>Profit for the financial year</b>		<b>6,896</b>	7,686

The Company had no items of Other Comprehensive Income in either the current or preceding periods.

**Balance Sheet**  
*at 31 December 2015*

	<i>Note</i>	2015	2014
		£000	£000
<b>Fixed assets</b>			
Intangible assets	11	22,632	9,110
Tangible assets	12	10,297	9,411
Investments	13	2,513	15,718
		<u>35,442</u>	<u>34,239</u>
<b>Current assets</b>			
Debtors	14	71,510	55,853
Cash at bank and in hand		231	173
		<u>71,741</u>	<u>56,026</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(39,446)</u>	<u>(27,736)</u>
<b>Net current assets</b>		<u>32,295</u>	<u>28,290</u>
<b>Total assets less current liabilities</b>		<u>67,737</u>	<u>62,529</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(24,182)</u>	<u>(26,120)</u>
<b>Net assets</b>		<u>43,555</u>	<u>36,409</u>
<b>Capital and reserves</b>			
Called up share capital	20	12	12
Profit and loss account		43,543	36,397
<b>Shareholders' funds</b>		<u>43,555</u>	<u>36,409</u>

These financial statements were approved by the board of directors on 29 April 2016 and were signed on its behalf by:



**J L Powles**  
*Director*

Company registered number: 02060289

## Statement of Changes in Equity

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	12	28,384	28,396
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>7,686</b>	<b>7,686</b>
<i>Transactions with owners, recorded directly in equity:</i>			
Equity-settled share based payment transactions	-	327	327
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	327	327
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2014</b>	<b>12</b>	<b>36,397</b>	<b>36,409</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2015	12	36,397	36,409
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>6,896</b>	<b>6,896</b>
<i>Transactions with owners, recorded directly in equity:</i>			
Equity-settled share based payment transactions	-	250	250
	<hr/>	<hr/>	<hr/>
Total contribution by and distributions to owners	-	250	250
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2015</b>	<b>12</b>	<b>43,543</b>	<b>43,555</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Teleperformance Limited is a company incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies 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 Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 29. The directors have identified no significant measurement or recognition adjustments.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 January 2014 have not been restated.
- Fair value or revaluation as deemed cost – At 1 January 2014, fair value has been used as deemed cost for properties previously measured at fair value.
- Share based payments – IFRS 2 is being applied to equity instruments that were granted after 7 November 2002 and that had not vested by 1 August 2013

The Company's ultimate parent undertaking, Teleperformance SE, incorporated in France, includes the Company in its consolidated financial statements. The consolidated financial statements of Teleperformance SE are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Teleperformance, 21-25 Rue de Balzac, 75008, Paris Cedex 15, France

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;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and

As the consolidated financial statements of Teleperformance SE include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments.
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

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

#### **Measurement convention**

The financial statements are prepared on the historical cost basis. Non-current assets are stated at the lower of previous carrying amount and fair value.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Going concern*

In assessing the appropriateness of continuing to use the going concern assumption the Directors have reviewed the risks facing the business. The Company continues to trade profitably, generate positive cashflow and has no non-group debt. Based on their assessment they believe the company has adequate resources to meet their liabilities as they fall due.

#### *Foreign currency*

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### *Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

#### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

#### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### *Investments in debt and equity securities*

Investments in subsidiaries are stated at amortised cost less impairment.

#### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### *Tangible fixed assets*

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer equipment 4-10 years
- Fixtures and Fittings and Office Equipment 3-5 years
- Leasehold Improvements over the term of the lease (or to the first break clause if appropriate)

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Government grants*

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

#### *Impairment*

##### *Financial assets*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### *Employee benefits*

##### *Share-based payment transactions*

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

## **Notes** *(continued)*

### **1**      **Accounting policies** *(continued)*

#### **Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### **Turnover**

Turnover is derived from the company's principal activity of providing multimedia marketing services comprising communication centres, mail handling and packing, logistics and fulfilment and computer services. The sales invoices for the call centres are raised monthly covering the activity completed in that month. For the remaining sales, invoices are raised when work is complete. Income is recognised when invoices are issued or due to be issued and deferred income arises where a client is billed in advance of work being completed. Income is accrued based on services provided where the customer billing period is not in line with month end.

#### **Expenses**

##### *Operating lease payments*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## Notes (continued)

### 2 Acquisitions of businesses

#### Acquisitions in the current period

On 31 December 2015 the Company acquired the trade and assets of fellow Group company, City Park Technology Centre limited at net book value of £4,564,000. This was done to simplify the Group structure and to allow the Company to focus all of its main business activities in one main trading company; this was in line with previous practices within the UK Group.

#### Effect of acquisition

The acquisition had the following effect on the Company's assets and liabilities.

	Recognised values on acquisition £000
<b>Acquiree's net assets at the acquisition date:</b>	
Tangible fixed assets	665
Trade and other debtors	5,949
Cash	1
Trade and other creditors	(2,051)
	<hr/>
Net identifiable assets and liabilities	4,564
	<hr/>
Consideration paid:	
Funded through intercompany loan	4,564
	<hr/>

As a result of the transfer of trade the company has had to consider the carrying value of its investment in City Park Technologies Limited, the parent company of City Park Technology Centre Limited, for indications of impairment. The directors do not believe it is right to impair the investment due to the transfer in trade and as such have followed the true and fair override principle and instead transferred the investment carrying value, over and above the remaining net assets, to goodwill. The value of the transfer was £12,905,000.

### 3 Turnover

	2015 £000	2014 £000
By activity:		
Contact centre outsourcing and associated services	181,183	174,523
	<hr/>	<hr/>
By geographical market (based on activity of location)		
UK	172,055	167,655
Portugal	7,678	4,352
Other	1,450	2,516
	<hr/>	<hr/>
	181,183	174,523
	<hr/>	<hr/>



## Notes (continued)

### 4 Other operating income/(expense)

	2015 £000	2014 £000
Government grant income/(expense)	35	(32)
	<u>35</u>	<u>(32)</u>

### 5 Expenses and auditor's remuneration

*Costs included in profit are the following:*

	2015 £000	2014 £000
Impairment loss on investments	330	-
Costs of acquiring subsidiary	-	372
Audit of these financial statements	102	100
	<u>432</u>	<u>472</u>

### 6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015 £000	2014 £000
Call centre staff	6,290	6,853
Admin staff	685	333
	<u>6,975</u>	<u>7,186</u>

The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wage and salaries	104,763	107,724
Share based payments (see note 19)	250	327
Social security costs	6,108	6,740
Contributions to defined contributions plans	1,290	1,305
	<u>112,411</u>	<u>116,096</u>

## Notes (continued)

### 7 Directors' remuneration

	2015 £000	2014 £000
Directors' remuneration	605	642
Company contributions to money purchase pension plans	57	62
	<u>662</u>	<u>704</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £320,000 (2014: £423,000), and Company pension contributions of £40,000 (2014: £43,000) were made to a money purchase scheme on his behalf.

	Number of directors	
	2015 £000	2014 £000
Retirement benefits are accruing to the following number of directors under:		
Money purchases schemes	3	2
	<u>3</u>	<u>2</u>
The number of directors who exercised share options was	2	2
	<u>2</u>	<u>2</u>

### 8 Other interest receivable and similar income

	2015 £000	2014 £000
Interest receivable on intercompany loans	76	107
Other interest receivable	7	32
	<u>83</u>	<u>139</u>

### 9 Interest payable and similar charges

	2015 £000	2014 £000
Net foreign exchange loss	420	165
On cash pooling balances	12	22
On hire purchase contracts	-	17
Interest payable on intercompany loans	1,226	850
Other interest payable and charges	72	103
	<u>1,730</u>	<u>1,157</u>

## Notes (continued)

### 10 Taxation

#### Recognised in the profit and loss account

	2015		2014
	£000	£000	£000
<i>UK corporation tax</i>			
Current tax on income for the period	1,793		2,473
Adjustments in respect of prior periods	86		14
	<hr/>		<hr/>
Total current tax		1,879	2,487
<i>Deferred tax</i>			
Origination and reversal of timing differences	(58)		86
Adjustment in respect of prior periods	25		(98)
	<hr/>		<hr/>
Total deferred tax		(33)	(12)
		<hr/>	<hr/>
Tax on profit on ordinary activities		1,846	2,475
		<hr/>	<hr/>

#### Reconciliation of effective tax rate

	2015	2014
	£000	£000
Profit for the year	6,896	7,686
Total tax expense	1,846	2,475
	<hr/>	<hr/>
Profit excluding taxation	8,742	10,161
Tax using the UK corporation tax rate of 20.25% (2014: 21.9%)	1,770	2,185
Movement on deferred tax balance	(33)	(12)
Non-deductible expenses	128	169
Depreciation in excess of capital allowances	86	288
Other differences	(191)	(169)
Adjustments in respect of prior periods	86	14
	<hr/>	<hr/>
Total tax expense	1,846	2,475
	<hr/>	<hr/>

#### Factors affecting the future tax charge

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

## Notes (continued)

### 11 Intangible fixed assets

	Goodwill £000	Software and other intangibles £000	Total £000
<b>Cost</b>			
Balance at 1 January 2015	17,002	8,569	25,571
Additions – Internally developed	-	600	600
Additions – externally developed	-	1,296	1,296
Transfers from investments (see note 13)	12,905	-	12,905
	<u>29,907</u>	<u>10,465</u>	<u>40,372</u>
<b>Amortisation and impairment</b>			
Balance at 1 January 2015 as restated	9,626	6,835	16,461
Amortisation for the year	-	1,279	1,279
	<u>9,626</u>	<u>8,114</u>	<u>17,740</u>
<b>Net book value</b>			
<b>At 31 December 2015</b>	<u>20,281</u>	<u>2,351</u>	<u>22,632</u>
At 31 December 2014	<u>7,376</u>	<u>1,734</u>	<u>9,110</u>

#### *Amortisation and impairment charge*

The amortisation and impairment charge is recognised in the following line items in the profit and loss account:

	2015 £000	2014 £000
Administrative expenses	1,279	1,087
	<u>1,279</u>	<u>1,087</u>

The directors have considered the carrying value of intangible assets (excluding software) based on the future cash generation of the underlying assets. No impairments have been identified.

## Notes (continued)

### 12 Tangible fixed assets

	Computer equipment £000	Other tangible fixed assets £000	Total £000
<b>Cost</b>			
Balance at 1 January 2015	15,624	16,047	31,671
Additions	1,327	2,245	3,572
Transferred from Group companies	665	-	665
Disposals	(4)	(44)	(48)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	<b>17,612</b>	<b>18,248</b>	<b>35,860</b>
	<hr/>	<hr/>	<hr/>
<b>Amortisation and impairment</b>			
Balance at 1 January 2015	11,251	11,009	22,260
Depreciation charge for the year	1,509	1,840	3,349
On disposals	(3)	(43)	(46)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	<b>12,757</b>	<b>12,806</b>	<b>25,563</b>
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2014	4,373	5,038	9,411
	<hr/>	<hr/>	<hr/>
At 31 December 2015	<b>4,855</b>	<b>5,442</b>	<b>10,297</b>
	<hr/>	<hr/>	<hr/>

### 13 Fixed asset investments

	Shares in Group undertakings £000
<b>Cost</b>	
At beginning of the year	17,763
Additions	30
Transfers to goodwill	(12,905)
	<hr/>
At end of year	<b>4,888</b>
	<hr/>
<b>Provisions for impairment</b>	
At beginning of the year	2,045
Provided in year	330
	<hr/>
At end of year	<b>2,375</b>
	<hr/>
<b>Net book value</b>	
At 31 December 2015	<b>2,513</b>
	<hr/>
At 31 December 2014	<b>15,718</b>
	<hr/>

## Notes (continued)

### 13 Fixed asset investments (continued)

	Country of incorporation	Class of Shares held	Ownership 2015	Ownership 2014
MM Group Ireland Limited	Northern Ireland	Ordinary	100%	100%
Teleperformance India Private Limited	India	Ordinary	99%	0%
City Park Technologies Limited	Scotland	Ordinary	100%	100%
TP South Africa Trading (Pty) Limited	South Africa	Ordinary	100%	100%
Improved Financial Solutions Limited	England and Wales	Ordinary	100%	100%

On 31 December 2015 the trade and assets of City Park Technology Centre Limited (the trading subsidiary of City Park Technologies Limited) were transferred to Teleperformance Limited. The Directors have followed the true and fair override and transferred the investment value to goodwill to reflect that there has been no change to the underlying value of the trade.

	Profit / (loss) for the year £000	Net assets / (liabilities) £000
MM Group Ireland Limited	-	-
Teleperformance India Private Limited	(4)	25
City Park Technologies Limited	158	438
TP South Africa Trading (Pty) Limited	689	1,590
Improved Financial Solutions Limited	-	(270)
	<hr/>	<hr/>

### 14 Debtors

	2015 £000	2014 £000
Trade debtors	43,392	37,739
Cash pooling amounts receivable	3,918	1,331
Amounts owed to Group undertakings	5,573	2,682
Amounts owed to subsidiary undertakings	1,796	2,553
Grant debtor	300	300
Other debtors	3	785
Directors' loans	-	158
Deferred tax assets	1,032	999
Corporation tax receivable	729	-
Prepayments and accrued income	14,767	9,306
	<hr/>	<hr/>
Due within one year	71,510	55,853
	<hr/>	<hr/>
Due after more than one year	632	1,028
	<hr/>	<hr/>

Amounts owed by subsidiary undertakings include a loan balance of £632,000 (2014: £1,028,000) due after more than one year. Group loan balances are interest bearing at the market rate.

On certain bank accounts, the balance is swept to £nil each night, with the positive or negative balance being transferred to a central Group cash pooling account. This central account is held by Teleperformance SE.

**Notes** *(continued)*

**15 Creditors**

	2015 £000	2014 £000
Trade creditors	4,310	6,286
Amounts owed to Group undertakings	15,417	7,180
Corporation tax payable	845	1,404
Other taxation and social security	6,113	5,906
Other creditors	172	773
Accruals and deferred income	8,096	5,743
Cash pooling payable	4,493	444
	<hr/>	<hr/>
Due after more than one year	39,446	27,736
	<hr/>	<hr/>

Group loan balances are interest bearing at the market rate.

**16 Creditors: amounts falling due after more than one year**

	2015 £000	2014 £000
Amounts owed to Group undertakings	10,300	12,800
Amounts owed to parent undertaking	13,882	13,320
	<hr/>	<hr/>
	24,182	26,120
	<hr/>	<hr/>

## Notes (continued)

### 17 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2015 £000	2014 £000
<b>Creditors falling due more than one year</b>		
Amounts owed to Group undertakings	13,882	13,320
Amounts owed to parent undertaking	10,300	12,800
	<u>24,182</u>	<u>26,120</u>
<b>Creditors falling due within less than one year</b>		
Amounts owed under Group cash pooling facility	4,493	444
Amounts owed to Group undertakings	15,417	7,180
	<u>19,910</u>	<u>7,624</u>

	Currency	Nominal Interest rate	Year of maturity	Face value 2015 £000	Carrying Amount 2015 £000	Face value 2014 £000	Carrying amount 2014 £000
Amounts owed under Group cash pooling facility	GBP	DAILY LIBOR + 0.8%	Immediate	4,493	4,493	444	444
Amounts owed to parent undertaking	GBP	BASE RATE +4%	2020	13,882	13,882	13,320	13,320
Amounts owed to Group undertakings – loans	GBP	1 YEAR LIBOR +4%	2019	12,800	12,800	13,800	13,800
				<u>31,175</u>	<u>31,175</u>	<u>27,564</u>	<u>27,564</u>



## Notes (continued)

### 18 Deferred tax assets

#### *Recognised deferred tax assets*

Deferred tax assets and liabilities are attributable to the following:

	2015 £000	2014 £000
Accelerated Capital Allowances	1,000	1,033
Short term timing differences	32	(34)
	<u>1,032</u>	<u>999</u>

	1 January 2015 £000	Recognised in income £000	31 December 2015 £000
Tangible fixed assets	1,033	(33)	1,000
Other	(34)	67	32
	<u>999</u>	<u>34</u>	<u>1,032</u>

#### *Movement in deferred tax during the prior year*

	1 January 2014 £000	Recognised in income £000	31 December 2014 £000
Tangible fixed assets	1,023	10	1,033
Other	(36)	2	(34)
	<u>987</u>	<u>12</u>	<u>999</u>

## Notes (continued)

### 19 Share based payments

Certain senior employees are part of the Teleperformance Group employee benefits scheme that provides bonus shares. The bonus shares have a nil exercise price. The final allocation of the shares will take place at the end of a vesting period of three years. The shares once granted are non-transferable, non-assignable, and non-tradable for a period of two years. Where the beneficiary of the award ceases employment before the date upon which the shares can be exercised, their entitlement to the shares shall be void.

The terms and conditions of awards are as follows:

Scheme reference	Number of instruments	Vesting conditions	Restrictions
August 2013 Plan	34,000	Remaining in employment with the company for three years	Cannot sell shares for two years after vesting

The information provided in the table below was used to calculate the share based payment charge for the year.

	August 2013 Plan No.
Outstanding at 31 December 2013	34,000
Granted during 2014	-
Vested during 2014	-
	<hr/>
Outstanding at 31 December 2014	34,000
Granted during 2015	-
Vested during 2015	-
Cancelled / forfeited during 2015	(8,000)
	<hr/>
Outstanding at 31 December 2015	26,000
	<hr/> <hr/>
Fair value at grant date	€33.37 (£28.81)

The charge has been calculated using an appropriate methodology which takes into account the market value of shares on the grant date along with restrictions placed on the shares, such as sale conditions.

The total expenses recognised for the period arising from share based payments are as follows:

	2015 £000	2014 £000
Equity settled share based payments	250	327
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 20 Capital and reserves

#### Share capital

	2015 £000	2014 £000
<b>Authorised</b>		
5,00,000 Ordinary shares of £0.05 each	250	250
	<hr/>	<hr/>
<b>Allotted</b>		
234,900 allotted, called up and fully paid ordinary shares of £0.05	12	12
	<hr/>	<hr/>

### 21 Financial instruments

#### Risk management

##### Financial risk management

The Company has exposure to the following risks arising from financial instruments;

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, and the Company's objectives, policies, and processes for measuring and managing risks.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate limits and controls, and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### 21 (a) Credit risk

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 fellow Group companies.

##### Exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk at the balance sheet date by class of financial instrument as follows:

	2015 £000	2014 £000
Cash & cash equivalents	232	173
Cash pooling receivable	3,918	1,331
Trade receivables	43,392	37,739
	<hr/>	<hr/>

## Notes (continued)

### 21 Financial instruments (continued)

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and the country in which the customers operate, as these factors may have an influence on credit risk.

The board of directors has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the board of directors; these limits are reviewed periodically. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company on either a prepayment or reduced terms basis.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Based on historic default rates, management do not believe that any impairment allowance is necessary in respect of trade receivables as at 31 December 2015 (2014: £120,000).

#### 21 (b) Liquidity risk

##### Financial risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring acceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	2015 Carrying amount £000	Contractual Cashflows £000	1 year or less £000	1 to <5 years £000	5 years and over £000
<b>Non-derivative financial liabilities</b>					
Amounts under Group cash pooling	4,493	4,493	4,493	-	-
Trade creditors	4,310	4,310	4,310	-	-
Parent company loan	12,800	12,800	2,500	10,300	-
	<b>2015 £000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Non-derivative financial liabilities</b>					
Amounts under Group cash pooling	444	444	444	-	-
Trade creditors	6,286	6,286	6,286	-	-
Parent company loan	13,800	13,800	1,000	1,000	-

#### 22 (c) Market risk

##### Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

##### Foreign currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective currency of the Company, Great British Pounds. The primary currencies in which these transactions are denominated are in the EURO, USD and ZAR.

## Notes (continued)

### 22 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2015 £000	2014 £000
Less than one year	5,196	4,571
Between one and five years	19,224	10,554
More than five years	10,476	2,792
	<hr/> 34,896 <hr/>	<hr/> 17,917 <hr/>

City Park Technology Centre Limited leased a number of call centre offices under operating leases and these lease obligations were transferred to Teleperformance Ltd on 31 December 2015.

### 23 Commitments

#### *Capital commitments*

During the year ended 31 December 2015, the Company entered into a contract to purchase computer equipment and other tangible fixed assets for £704,000 (2014: £1,056,000). These commitments are expected to be settled in the following financial year.

### 24 Contingencies

There is a contingent liability to repay certain revenue grants received from Invest NI, should future employment levels fall below specified levels. The directors do not anticipate any repayment falling due under the terms on which the grants were received.

### 25 Related parties

#### *Transactions with directors*

During the year the Company had loans with one director (2014: two) which was repaid in full during the period. The balance on the loan at 31 December 2015 was £nil (2014: £158,000). Interest was charged at LIBOR + 4% on the outstanding balances.

The company classifies members of the Teleperformance group and its Directors as its related parties. There are no related party transactions not covered by relevant exemptions that require disclosure other than information on Directors' loans above.

The company has taken the exemption available in respect of the disclosure of key management personnel information.

### 26 Ultimate parent company and parent company of larger group

The immediate parent undertaking of Teleperformance Limited is Teleperformance Holdings Limited, incorporated in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Teleperformance SE, incorporated in France. The consolidated accounts of this group are available to the public.

Copies of Teleperformance S.E. group accounts can be obtained from Teleperformance, 21-25 Rue de Balzac, 75008, Paris Cedex 15, France or [www.teleperformance.com](http://www.teleperformance.com).

### 27 Subsequent events

Subsequent to the balance sheet date, there were no significant financially impacting events.

## Notes (continued)

### 28 Accounting estimates and judgements

The Directors focus on key areas of accounting estimate and judgement. They believe the following areas represent the key areas:

#### *Recoverability of intangible assets / investments*

The directors regularly review the carrying value of intangible assets (including goodwill) and investments to identify any indicators of impairment. Consideration is given to the future cash generation of the underlying assets through either continued use or sale. Cash flows are discounted to reflect the time value of money.

#### *Unbilled revenues*

The directors monitor the underlying data used in estimating the level of unbilled revenue to be recognised in the financial statements. This takes into consideration the contract terms and compliance with any performance standards.

## Notes (continued)

### 29 Explanation of transition to FRS 101

As stated in Note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

#### Reconciliation of equity

		31 January 2014		
		Effect of transition to FRS 101		
	Note	UK GAAP £000	to FRS 101 £000	FRS 101 £000
<b>Fixed assets</b>				
Intangible assets	a	8,250	860	9,110
Tangible assets		9,411	-	9,411
Investments		15,718	-	15,718
		<u>33,469</u>	<u>860</u>	<u>34,329</u>
<b>Current assets</b>				
Debtors		55,853	-	55,853
Cash at bank and in hand		173	-	173
		<u>56,026</u>	<u>-</u>	<u>56,026</u>
<b>Creditors: amounts due within one year</b>		<u>(27,736)</u>	<u>-</u>	<u>(27,736)</u>
<b>Net current assets</b>		<u>28,290</u>	<u>-</u>	<u>28,290</u>
<b>Total assets less current liabilities</b>		<u>61,669</u>	<u>860</u>	<u>62,529</u>
<b>Creditors: amounts falling due after more than one year</b>		<u>(26,120)</u>	<u>-</u>	<u>(26,120)</u>
<b>Net assets</b>		<u>35,549</u>	<u>860</u>	<u>36,409</u>
<b>Capital and reserves</b>				
Called up share capital		12	-	12
Profit and loss account		35,537	860	36,397
<b>Shareholders' equity</b>		<u>35,549</u>	<u>860</u>	<u>36,409</u>

#### Notes to the reconciliation of equity

- a) Under FRS101, goodwill is no longer written down on a straight line basis over 20 years, but an annual impairment test is carried out. The directors do not consider that there have been any indicators of impairment, so the goodwill amortisation charge previously charged in the year to 31 December 2014 has been reversed.

## Notes (continued)

### 30 Explanation of transition to FRS 101 (continued)

#### Reconciliation of profit for period ending 31 December 2014

	Note	UK GAAP £000	2014 Effect of transition to FRS 101 £000	FRS 101 £000
<b>Turnover</b>		174,523	-	174,523
Cost of sales		(120,246)	-	(120,246)
<b>Gross profit</b>		54,277	-	54,277
Administrative expenses		(43,926)	860	(43,066)
Other operating income expense		(32)	-	(32)
<b>Operating profit</b>		10,319	860	11,179
Other interest receivable and similar income		139	-	139
Interest payable and similar charges		(1,157)	-	(1,157)
<b>Profit on ordinary activities before taxation</b>		9,301	860	10,161
Tax on profit on ordinary activities		(2,475)	-	(2,475)
<b>Profit for the year</b>		6,826	860	7,686

#### Notes to the reconciliation of profit

- a) Under FRS101, goodwill is no longer written down on a straight line basis over 20 years, but an annual impairment test is carried out. The directors do not consider that there have been any indicators of impairment, so the goodwill amortisation charge previously charged in the year to 31 December 2014 has been reversed.