

Registered number: 03228538

THE APPOINTMENT GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



THE APPOINTMENT GROUP LIMITED

COMPANY INFORMATION

Directors	S Barrass N Boyd J Gianquillo M Salter J Penny (appointed 23 April 2019)
Registered number	03228538
Registered office	The Linen House 253 Kilburn Lane London W10 4BQ
Independent auditor	Nexia Smith and Williamson Chartered Accountants & Statutory Auditor 25 Moorgate London EC2R 6AY

THE APPOINTMENT GROUP LIMITED

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THE APPOINTMENT GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The directors present their Group Strategic Report for The Appointment Group Limited for the year ended 31 December 2018.

Principal Activities

2018 represents a landmark year for The Appointment Group ("TAG"). The business celebrated its 30th birthday and passed the £200m gross sales threshold. On 30 April 2018 the Company was acquired by Project Global Bidco Limited, a vehicle incorporated to facilitate the acquisition of the Company by Apiary Capital Partners I.

TAG is one of the world's leading travel and event management companies providing services to the entertainment & media, corporate and events markets in the UK, the USA, the Far East and Australasia. The business operates the following core divisions:

1. *Touring:* TAG is a global leader in providing travel management services for music tours from worldwide established major music artists and bands through to new acts on their first tour.
2. *Corporate:* TAG brings the high touch service of its entertainment & media division to its corporate customers across a range of sectors including hedge funds, private equity, management consulting, banking, finance and entertainment as well as senior C-suite personnel.
3. *Events:* TAG provides event organisation including conferences, product launches, incentive travel, celebrations and activity days for both corporate and private customers.
4. *Private Travel:* TAG's Private Travel division provides a luxury travel and concierge service creating bespoke escapes for high net-worth individuals, celebrities and VIPs.
5. *Film & Media:* TAG has a dedicated Film and Media division that specialises in managing travel and logistics for major production companies and independent studios.

THE APPOINTMENT GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Business review

The pro-forma performance of the Company and its subsidiaries ("Group") for the year ended 31 December 2018 was as follows:

	The Appointment Group Limited	
	2018	2017
	£'000	£'000
Gross sales value	201,184	173,911
Net turnover	24,883	23,327
Net turnover to gross sales	12%	13%
Operating profit	321	1,406
Add - Depreciation & Amortisation	1,702	1,401
Add - Intangible impairment	237	-
EBITDA	2,260	2,807
Add - Exceptional items	1,266	-
Add - Australia & Singapore	1,728	642
Pro-forma EBITDAE*	5,254	3,449

**Earnings before interest, tax, depreciation, amortisation, impairment, exceptional items and trading results in Australia and Singapore.*

The Group pro-forma EBITDAE for the year ended 31 December 2018 was £5.3m and this compares favourably to the EBITDAE of £3.4m in the year ended 31 December 2017. The principal driver behind this improvement was a 16% increase in Gross Sales Value in the year, through a combination of growth in sales volumes from existing customers, incremental sales volume from new customers who commenced trading with TAG during the year and the impact of acquisitions made during 2018. Exceptional items are explained in note 5.

During the year the Group commenced a review of its operations in Australia and Singapore to address the start-up losses following establishment of the business in these new markets. It is pleasing to report that the outputs of this review have now been implemented in the Australia and Singapore business and the recovery is on plan.

On 11 July 2018 the Group acquired certain customer related assets constituting the touring travel management business of Satellite Office Services LLC ("SOS"). This acquisition complemented the existing Music Touring division within TAG.

During the year the Group has invested heavily in enhancing and complementing the existing management team with the appointment of a new Chief Executive Officer in August 2018 along with a number of other senior management appointments throughout the year.

THE APPOINTMENT GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Results and dividends

The Group's turnover for the year to 31 December 2018 was £24,883k (2017: 23,327k) and the loss after taxation was £796k (2017: profit £868k). The directors do not recommend a dividend for the year (2017: £Nil).

Key performance indicators

The Group and its subsidiaries monitor a number of key performance indicators in respect of the sales, profit and cash performance of the Company. This is primarily achieved through the comprehensive weekly and monthly monitoring of sales volumes and value and regular analysis and forecasting of cash receipts and payments.

Principal risks and uncertainties

The principal risks and uncertainties arising from both internal and external factors that could impact the Group's performance and the related mitigating activities to manage that risk are considered below. The Group has risk management processes to identify, monitor and evaluate such issues as they emerge, enabling the Board to take appropriate action where possible.

Economic and market risk

The economic environment has an impact on the performance of the Group. Uncertainty in the global economy driven by Brexit and trade issues between the US and China could impact demand for the Group's services. Further, the Group is exposed to market risks associated with the operations of competitor travel management companies and key suppliers.

The Group has a geographically diversified service offering which allows mitigation of economic risk. The Group has performed well against its peers and continues to focus on offering a high quality, high touch service to its clients. The Group's processes and investment in technology allow it to be well placed to react to changes in market conditions.

Currency risk

The Group operates in countries across the globe and fluctuations in foreign exchange rates can impact performance. The Group adopts natural and contracted hedges to mitigate this risk.

Credit risk

The company's main credit risk relates to the recoverability of amounts owed by trade debtors. The directors set credit limits and terms for all trade debtors based on third party reference and payment history of new and existing trade debtors. These are reviewed on a day-to-day basis.

Liquidity risk

The availability of sufficient working capital and banking facilities is key to ensuring the Group can meet its obligations and to support investment plans to drive long term growth. The directors regularly review both short- and long-term cash flow as well as performance forecasts to effectively manage liquidity.

Regulatory risk

The Group is subject to regulatory requirements relevant to the travel industry. Failure to adhere to these requirements can have a significant impact on the Group's trading ability as well as resulting in fines. The directors, with support of relevant third-party advisers regularly review the regulatory environment and requirements of the Group, ensuring internal processes are sufficient and appropriate to allow adherence to these requirements.

THE APPOINTMENT GROUP LIMITED

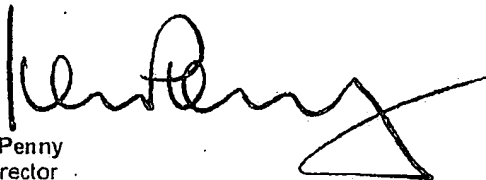
GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Group strategy and outlook

The long-term outlook for the markets in which the Group operates is positive with growth expected in all sectors. Changes in market dynamics are also having a positive impact on the outlook for the Group, with music artists generating most of their revenues from touring which in turn is supporting growth in the Group's touring business.

The Group has grown in the year to the 31 December 2018 and the directors expect this to continue throughout 2019, through a combination of organic growth, recovery in Australia and Singapore and targeted acquisitions that complement the existing business. This expected growth will be supported by further investment in the capability of the Group including investment in people, processes and technology.

This report was approved by the board and signed on its behalf.



J Penny
Director

Date: 20 JUNE 2019.

THE APPOINTMENT GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the Company during the year under review was that of the holding company for the subsidiaries of The Appointment Group Limited.

The principal activity of the Group during the year under review was that of a group of travel management agents.

Results and dividends

The loss for the year, after taxation, amounted to £796k (2017 - profit of £868k).

No dividends were paid during the year (2017 - £Nil).

Directors

The directors who served during the year were:

S Barrass (appointed 20 September 2018)
N Boyd (appointed 30 April 2018)
J Gianquitto
M Salter (appointed 30 April 2018)
N Stone (appointed 21 May 2018, resigned 29 March 2019)
G Duckworth (resigned 30 April 2018)
I Patterson (resigned 30 April 2018)
M Veronique (resigned 6 September 2018)

Future developments

The key future developments within the Company and wider Group have been identified within the Strategic Report on pages 1 to 4.

Disclosure of Information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

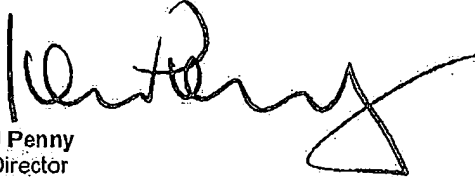
THE APPOINTMENT GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Auditor

The auditor, Nexia Smith and Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



J Penny
Director

Date: 20 JUNE 2019.

THE APPOINTMENT GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE APPOINTMENT GROUP LIMITED

Opinion

We have audited the financial statements of The Appointment Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE APPOINTMENT GROUP LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's or the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE APPOINTMENT GROUP LIMITED
(CONTINUED)**

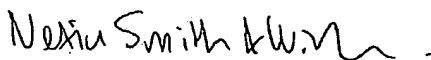
Auditor's responsibilities for the audit of the financial statements

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 further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Drew (Senior Statutory Auditor)

for and on behalf of
Nexia Smith and Williamson

Chartered Accountants
Statutory Auditor

25 Moorgate
London
EC2R 6AY
Date: 21 June 2019

THE APPOINTMENT GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Turnover	4	24,883	23,327
Gross profit		24,883	23,327
Administrative expenses		(24,562)	(21,921)
Operating profit	5	321	1,406
Interest payable and expenses	9	(3)	-
Profit before taxation		318	1,406
Taxation	10	(1,114)	(538)
(Loss)/profit for the financial year		(796)	868
Currency translation differences		350	(766)
Share option charge		-	23
Other comprehensive income/(loss) for the year		350	(743)
Total comprehensive (loss)/income for the year		(446)	125

(Loss)/profit and total comprehensive (loss)/income for the year is attributable to the owners of the parent.

The notes on pages 21 to 44 form part of these financial statements.

THE APPOINTMENT GROUP LIMITED
REGISTERED NUMBER:03228538

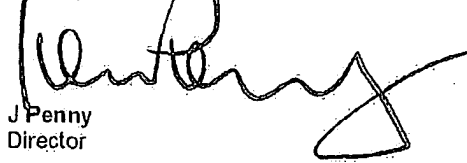
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	11	5,256	2,753
Tangible assets	12	841	754
		<u>6,097</u>	<u>3,507</u>
Current assets			
Debtors: amounts falling due within one year	14	9,463	8,008
Cash at bank and in hand	15	2,524	2,873
		<u>11,987</u>	<u>10,881</u>
Creditors: amounts falling due within one year	16	(12,430)	(9,213)
Net current (liabilities)/assets		<u>(443)</u>	<u>1,668</u>
Total assets less current liabilities		<u>5,654</u>	<u>5,175</u>
Creditors: amounts falling due after more than one year	17	(917)	-
Provisions for liabilities			
Deferred taxation	18	(33)	(25)
		<u>(33)</u>	<u>(25)</u>
Net assets		<u><u>4,704</u></u>	<u><u>5,150</u></u>
Capital and reserves			
Called up share capital	19	60	60
Share premium account	20	2,998	2,998
Capital redemption reserve	20	6	6
Other reserves	20	(985)	(985)
Share option reserve	20	52	52
Retained earnings	20	2,573	3,019
Total capital and reserves		<u><u>4,704</u></u>	<u><u>5,150</u></u>

THE APPOINTMENT GROUP LIMITED
REGISTERED NUMBER: 03228538

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J Penny
Director

Date: 20 JUNE 2019.

The notes on pages 21 to 44 form part of these financial statements.

THE APPOINTMENT GROUP LIMITED
REGISTERED NUMBER:03228538

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	13	7,151	7,369
		<u>7,151</u>	<u>7,369</u>
 Creditors: amounts falling due within one year	16	 (8,452)	 (7,865)
Net current liabilities		<u>(8,452)</u>	<u>(7,865)</u>
Total assets less current liabilities		<u>(1,301)</u>	<u>(496)</u>
 Net liabilities		 <u>(1,301)</u>	 <u>(496)</u>
 Capital and reserves			
Called up share capital	19	60	60
Share premium account	20	2,998	2,998
Capital redemption reserve	20	6	6
Other reserves	20	(1,160)	(1,160)
Share option reserve	20	52	52
Retained earnings brought forward		(2,452)	(2,503)
(Loss)/profit for the year		<u>(805)</u>	<u>51</u>
 Retained earnings carried forward		 (3,257)	 (2,452)
Total capital and reserves		<u>(1,301)</u>	<u>(496)</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the Company for the year was £805k (2017: profit of £51k).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J Penny
Director

Date: 20 JUNE 2019.

The notes on pages 21 to 44 form part of these financial statements.

THE APPOINTMENT GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Share option reserve £000	Retained earnings £000	Total equity £000
At 1 January 2017	62	2,998	4	175	29	2,917	6,185
Profit for the year	-	-	-	-	-	868	868
Currency translation differences	-	-	-	-	-	(766)	(766)
Share option charge	-	-	-	-	23	-	23
Total comprehensive income for the year	-	-	-	-	23	102	125
Share buy back	(2)	-	2	(1,160)	-	-	(1,160)
At 1 January 2018	60	2,998	6	(985)	52	3,019	5,150
Loss for the year	-	-	-	-	-	(796)	(796)
Currency translation differences	-	-	-	-	-	350	350
Total comprehensive income for the year	-	-	-	-	-	(446)	(446)
At 31 December 2018	60	2,998	6	(985)	52	2,573	4,704

THE APPOINTMENT GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Share option reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2018	60	2,998	6	(1,160)	52	(2,452)	(496)
Loss for the year	-	-	-	-	-	(805)	(805)
Total comprehensive income for the year	-	-	-	-	-	(805)	(805)
At 31 December 2018	60	2,998	6	(1,160)	52	(3,257)	(1,301)

THE APPOINTMENT GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Share option reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2017	62	2,998	4	-	29	(2,503)	590
Profit for the year	-	-	-	-	-	51	51
Share option charge	-	-	-	-	23	-	23
Total comprehensive income for the year	-	-	-	-	23	51	74
Share buy back	(2)	-	2	(1,160)	-	-	(1,160)
At 31 December 2017	60	2,998	6	(1,160)	52	(2,452)	(496)

THE APPOINTMENT GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £000	2017 £000
Cash flows from operating activities		
(Loss)/Profit for the financial year	(796)	868
Adjustments for:		
Amortisation of intangible assets	1,439	1,138
Depreciation of tangible assets	263	263
Impairments of intangible assets	237	-
Interest paid	3	-
Corporation tax refund/(payment)	1,114	(1,237)
Decrease/(increase) in debtors	474	(3)
Increase in amounts owed by parent undertaking	(1,931)	-
Increase/(decrease) in creditors	1,839	(1,318)
Corporation tax (paid)/received	(854)	538
Share option charge	-	23
Foreign exchange movement on working capital	(96)	(811)
Net cash generated from/ (used in) operating activities	1,692	(539)
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,096)	(266)
Purchase of tangible fixed assets	(442)	(283)
Net cash used in investing activities	(2,538)	(549)

THE APPOINTMENT GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £000	2017 £000
Cash flows from financing activities		
Purchase of own shares	-	(1,160)
Interest paid	(3)	-
Net cash used in financing activities	(3)	(1,160)
Net decrease in cash and cash equivalents	(849)	(2,248)
Cash and cash equivalents at beginning of year	2,873	5,121
Cash and cash equivalents at the end of year	2,024	2,873
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,524	2,873
Bank overdrafts	(500)	-
	2,024	2,873

THE APPOINTMENT GROUP LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2018

	At 1 January 2018 £000	Cash flows £000	At 31 December 2018 £000
Cash at bank and in hand	2,873	(349)	2,524
Bank overdrafts	-	(500)	(500)
	<u>2,873</u>	<u>(849)</u>	<u>2,024</u>

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The Appointment Group Limited is a private company, limited by shares, domiciled and incorporated in England and Wales. The registered office address and registered number can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" and the Companies Act 2006.

During the year ended 31 December 2018 the Parent Company and the Group early adopted the amendments made to FRS 102: 'Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland: Triennial Review 2017 - Incremental improvements and classifications (the Amendments)'. The adoption of the Amendments has not resulted in any prior period adjustments for the Group or the Parent Company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the exemption from preparing a Statement of Cash Flows;
- the exemption from disclosing key management personnel compensation; and
- reduced disclosures for share based payments

This information is included in the consolidated financial statements of Project Global Topco Limited, the ultimate Parent Company, as at 31 December 2018 and these financial statements may be obtained from The Linen House, 253 Kilburn Lane, London, W10 4BQ.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Parent Company and its wholly owned subsidiaries ("the Group") as if they form a single entity. Intercompany transactions, balances between group companies and any unrealised gains and losses arising on intra-group transactions are eliminated in preparing these financial statements.

The Parent Company has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes. The loss after tax of the Parent Company for the year was £805k (2017: £51k profit).

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Going concern

The Company made a loss of £805k (2017: profit of £51k) and the Group results show consolidated profit before tax of £318k (2017: £1,406k) and a consolidated loss after taxation of £796k (2017: profit £868k). The Company had net current liabilities of £8,452k (2017: £7,865k) and the Group had net current liabilities of £443k (2017: net current assets £1,668k) and net assets of £4,704k (2017: £5,150k). The consolidated profit before tax includes one off expenditure of £1,266k as disclosed within note 5, as exceptional items.

The Directors have prepared and considered trading, working capital and cashflow projections that show that the Group will be profitable and cash generative. The amounts owed by the Company to the wider group, whilst due on demand will not be called for payment unless the company is in a position to do so. The directors have, therefore, made an assessment in preparing these financial statements that the Group and Company are going concerns and have concluded that there are no material uncertainties that may cast doubt on the Group's and Company's ability to continue as a going concern.

2.5 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values and the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

2.6 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

- Commission turnover is recognised when the supplier is paid apart from hotel commissions which are recognised on a cash basis.
- Where the Group acts as agent rather than principal, turnover is recognised on the net basis as the amount of margin earned on the transaction.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

The estimated useful lives range as follows:

Trademarks	-	6	years on a straight line basis
Computer software	-	3-5	years on a straight line basis

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	7	years on a straight line basis
Motor vehicles	-	3	years on a straight line basis
Fixtures and fittings	-	7	years on a straight line basis
Computer equipment	-	4	years on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.9 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.10 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Derivative financial instruments are classified as other financial instruments. They are measured at fair value on initial recognition and at the end of each reporting period, with changes in fair value recognised in the Consolidated Statement of Comprehensive Income.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.12 Dividends

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

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.13 Share based payments

The Parent Company and Group has applied the requirements of FRS 102 section 26 'Share-based Payments'.

Where the subsidiary issues equity-settled share-based payments to certain employees. The options are settled by the Parent Company. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity share-based payments is expensed on a straight line basis over the period in which the options are expected to be exercised.

Fair value is measured by use of the Black Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

2.14 Leases

Rentals payable under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to enter into an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 Employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to the Consolidated Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the Balance Sheet.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.16 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.17 Taxation

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

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Comprehensive Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for timing differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

2.18 Interest payable

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.19 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following critical judgments made by management in applying the Parent Company's and Group's accounting policies have the most significant impact on the amounts recognised in the financial statements.

Critical accounting estimates and assumptions

The Company and Group makes estimates and assumptions concerning the future. The resulting accounting estimate will seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are considered by the directors to be the following:

Useful life of goodwill & other intangible assets

Intangibles arising on acquired businesses are being amortised over a six year period (note 11). The Group continually monitors this policy and the performance of the assets acquired including ongoing trading performance and will amend the estimate of the useful life should it be required.

Impairment of trade receivables

The Company makes an estimate of the recoverable value of trade receivables (note 14). When assessing impairment, management considers factors including the current credit rating of the customer, the ageing profile of the receivable and historical experience.

Recoverability of intra-group loans

The Company has provided loans to a fellow subsidiary company which are repayable on demand (note 14). Loans are impaired to their recoverable value should the counterparty not have sufficient resources to repay the loan on demand after taking all possible steps including the sale of trade and assets.

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgment as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

Deferred and contingent consideration

Deferred and contingent consideration in relation to the acquisition has been included based on management's best estimate of the fair value of the consideration due. Details of this are set out in note 16 (< 1 year liabilities note) and note 17 (> 1 year liabilities note).

THE APPOINTMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £000	2017 £000
Gross sales value	201,184	173,911
Cost of sales	(176,301)	(150,584)
Net turnover	24,883	23,327

Revenue generated by The Appointment Group LLC is generated in the United States of America and revenue in The Appointment Group (Australia) Pty Limited is generated in Australia. All other income is generated in the United Kingdom.

In the opinion of the directors the disclosure of separate segmental information would be prejudicial to the interests of the Group.

5. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	263	263
Amortisation of intangible assets, including goodwill	1,439	1,138
Exceptional items	1,266	-
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	59	48
Foreign exchange differences	333	(163)
Other operating lease rentals	1,056	702
Defined contribution pension cost	525	591

Exceptional items include restructuring costs associated with the closure of the Sports Division and costs arising from the acquisition of the Group by Project Global Bidco Limited.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £000	Group 2017 £000
Wages and salaries	13,331	11,933
Social security costs	1,157	1,069
Cost of defined contribution scheme	538	591
	<u>15,026</u>	<u>13,593</u>

The share options (credit)/charge for the year amounted to £nil (2017 - £23k).

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Office and management	<u>298</u>	<u>276</u>

The Parent Company does not have any employees and does not incur any staff costs.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments	254	859
Company contributions to defined contribution pension schemes	16	46
	<u>270</u>	<u>905</u>

During the year retirement benefits were accruing to 5 directors (2017 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £88k (2017 - £223k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4k (2017 - £3k).

The highest paid director received no share options during the year (2017 - none).

Further details of share options are given in note 8.

No options (2017 - no options) were exercised by, or granted to, directors during the year.

No share options (2017 - 300 options) were outstanding relating to directors at the end of the year.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8. Share based payments

The Group operates equity settled share based payment schemes.

All options are granted over ordinary shares and have a 10 year life and are only exercisable in the event of a sale or listing of the Company, unless exercised at the Board's discretion.

The fair value of awards granted under the scheme is estimated on the date of grant using the Black Scholes valuation model. Exercise is dependent on certain future events, if the options remain unexercised after a period of up to 10 years from the date of the grant, the options expire. Options are forfeited if the employee leaves the Group before the options are exercised.

During the year ended 31 December 2018, the exercise condition was met due to a sale event, and the options were exercised.

During the year ended 31 December 2018, a total of nil (2017 - nil) share options were granted.

Details of the share options granted as stated below:

	Weighted average exercise price (pence) 2018	Number 2018	Weighted average exercise price (pence) 2017	Number 2017
Outstanding at the beginning of the year	8.51	4,200	8.51	4,200
Exercised during the year	(8.51)	(4,200)	-	-
Outstanding at the end of the year	-	-	8.51	4,200

	2018	2017
Weighted average share price (£)	48	48
Exercise price (£)	48	48
Weighted average contractual life (years)	10	40
Expected volatility (%)	50	50
Expected dividend growth rate (%)	8	8
Risk-free interest rate (%)	5	5

	2018 £000	2017 £000
Equity-settled schemes	-	23
	-	23

THE APPOINTMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Share based payments (continued)

The total fair value of the option is spread over the period from the grant date to the expected exercise date, which was estimated at 3 years and the full charge has been recognised.

9. Interest payable and similar expenses

	2018 £000	2017 £000
Bank interest payable	3	-
	<u>3</u>	<u>-</u>

10. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	1,105	468
Adjustments in respect of previous periods	1	-
	<u>1,106</u>	<u>468</u>
Foreign tax		
Foreign tax on income for the year	-	92
	<u>-</u>	<u>92</u>
Total current tax	<u>1,106</u>	<u>560</u>
Deferred tax		
Origination and reversal of timing differences	8	(22)
Total deferred tax	<u>8</u>	<u>(22)</u>
Taxation on profit on ordinary activities	<u>1,114</u>	<u>538</u>

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	318	1,406
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	60	271
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16	549
Adjustments to tax charge in respect of prior periods	(112)	(9)
Capital allowances for year in excess of depreciation	177	179
Non-taxable income	-	(493)
Deferred tax charge	8	3
Unrelieved loss on foreign subsidiaries	435	35
Foreign tax	530	3
Total tax charge for the year	1,114	538

Factors that may affect future tax charges

The UK Corporation tax rate will reduce to 17% from April 2020. As at 31 December 2018, all of the above reductions have been substantively enacted and hence in accordance with accounting standards, the impact of these reductions have been reflected in the Company's financial statements as at the year end.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Intangible assets

Group

	Trademarks £000	Computer software £000	Goodwill £000	Total £000
Cost				
At 1 January 2018	3,573	1,035	3,094	7,702
Additions	-	639	3,518	4,157
Disposals	-	(78)	-	(78)
Impairment	-	(237)	-	(237)
Foreign exchange movement	-	(1)	185	184
At 31 December 2018	3,573	1,358	6,797	11,728
Amortisation				
At 1 January 2018	2,382	578	1,989	4,949
Charge for the year	596	217	626	1,439
Foreign exchange movement	-	1	83	84
At 31 December 2018	2,978	796	2,698	6,472
Net book value				
At 31 December 2018	595	562	4,099	5,256
At 31 December 2017	1,191	457	1,105	2,753

During the year the Group acquired a US book of business, included within goodwill.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Tangible fixed assets

Group

	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 January 2018	459	1	387	971	1,818
Additions	43	-	248	151	442
Exchange adjustments	10	-	1	27	38
At 31 December 2018	512	1	636	1,149	2,298
Depreciation					
At 1 January 2018	221	1	174	669	1,065
Charge for the year	67	-	61	135	263
Exchange adjustments	4	-	19	106	129
At 31 December 2018	292	1	264	910	1,457
Net book value					
At 31 December 2018	220	-	382	239	841
At 31 December 2017	238	-	214	302	754

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 January 2018	7,369
At 31 December 2018	<u>7,369</u>
Impairment	
Charge for the period	218
At 31 December 2018	<u>218</u>
Net book value	
At 31 December 2018	<u>7,151</u>
At 31 December 2017	<u>7,369</u>

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
The Appointment Group (UK) Limited	Travel agent	Ordinary	100%
Events By Appointment Limited*	Dormant	Ordinary	100%
Leisure By Appointment Limited	Travel agent	Ordinary	100%
Music By Appointment Limited*	Dormant	Ordinary	100%
The Appointment Group LLC	Travel agent	Ordinary	100%
The Appointment Group (Australia) Pty Limited	Travel agent	Ordinary	100%
ET Travel Limited	Dormant	Ordinary	100%
The Ultimate Events Company Limited**	Dormant	Ordinary	100%
Travel By Appointment Limited*	Dormant	Ordinary	100%
The Appointment Group Pte Limited	Travel agent	Ordinary	100%

*Held indirectly through The Appointment Group (UK) Limited

**Held indirectly through Events By Appointment Limited

The registered office and country of incorporation of The Appointment Group (UK) Limited, Events By Appointment Limited, Leisure By Appointment Limited, Music By Appointment Limited, ET Travel Limited, The Ultimate Events Company Limited and Travel By Appointment Limited is The Linen House, 253 Kilburn House, London, W10 4BQ and England and Wales.

The registered office and country of incorporation of The Appointment Group LLC is 225 West 34th Street, Suite 11A & 11B New York 10122 and United States of America.

The registered office and country of incorporation of The Appointment Group (Australia) Pty Limited is 191-193 Cleveland Street, Redfern, NSW 2016.

The registered office and country of incorporation of The Appointment Group Pte Limited is 333 North Bridge Road 08-00 KH Kea Building Singapore (188721) and Singapore.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

14. Debtors

	Group 2018 £000	Group 2017 £000
Trade debtors	5,446	4,429
Amounts owed by parent undertakings	1,931	-
Other debtors	821	2,594
Prepayments and accrued income	1,265	985
	<u>9,463</u>	<u>8,008</u>

Included within other debtors is a balance of £nil (2017: £2,241k) in relation to amounts paid and payable to H M Revenue & Customs. This balance was settled in the year.

Amounts owed by parent undertakings are interest free, unsecured and repayable on demand.

15. Cash and cash equivalents

	Group 2018 £000	Group 2017 £000
Cash at bank and in hand	2,524	2,873
	<u>2,524</u>	<u>2,873</u>

The bank has a specific equitable charge over all freehold and leasehold properties and/or the proceeds of sale thereof fixed and floating charges over undertaking and all property and assets present and future including goodwill book debts and benefits of any licences.

The Group entered into a new fixed charge in April 2018 over its investment in The Appointment Group (Australia) Pty Limited.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

16. Creditors: Amounts falling due within one year

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Bank overdrafts	500	-	500	-
Trade creditors	4,104	3,638	-	-
Amounts owed to group undertakings	-	-	7,022	7,101
Corporation tax	1,016	1,205	930	764
Other taxation and social security	321	344	-	-
Other creditors	1,328	439	-	-
Accruals and deferred income	3,945	3,587	-	-
Deferred consideration	1,216	-	-	-
	<u>12,430</u>	<u>9,213</u>	<u>8,452</u>	<u>7,865</u>

Included with other creditors are amounts due to directors of £4k (2017 - £44k).

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

Deferred consideration is payable on the acquisition of a US book of business.

The bank overdraft is secured by a specific equitable charge over all freehold and leasehold properties, as disclosed in note 17.

17. Creditors: Amounts falling due after more than one year

	Group 2018 £000	Group 2017 £000
Other creditors	72	-
Deferred consideration	845	-
	<u>917</u>	<u>-</u>

Deferred consideration is payable on the acquisition of a US book of business.

THE APPOINTMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. Deferred taxation

Group

	2018 £000	2017 £000
At beginning of year	(25)	(47)
(Charge)/Credit in the year	(8)	22
At end of year	(33)	(25)

The provision for deferred taxation is made up as follows:

	Group 2018 £000	Group 2017 £000
Accelerated capital allowances	(44)	(25)
Short term timing differences	11	-
	(33)	(25)

19. Share capital

Group and Company

	2018 £000	2017 £000
Allotted, called up and fully paid		
80,000 (2017 - 80,000) Ordinary Shares - Class A shares of £0.625 each	50	50
10,000 (2017 - 10,000) Ordinary Shares - Class B shares of £0.625 each	6	6
6,500 (2017 - 6,500) Ordinary Shares - Class C shares of £0.625 each	4	4
2 (2017 - 2) Ordinary Shares - Class D shares of £0.625 each	-	-
	60	60

All ordinary shares rank equally and pari passu.

THE APPOINTMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

20. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Capital redemption reserve

The capital redemption reserve arises on the purchase of the Company's own shares and is non-distributable.

Other reserves

Other reserves comprise amounts that arise on consolidation and are non-distributable.

In addition to amounts in relation to prior year Company share buybacks.

Share option reserve

This reserve relates to the fair value of the options granted which has been charged to the profit or loss over the vesting period of the options and related taxation recognised in equity.

Retained earnings

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

21. Contingent liabilities

The Company acts as a guarantor and indemnifier for the purpose of providing credit support to each of the loan note holders. This is in respect of any liabilities of Project Global Bidco, a parent entity within the Group, to the loan note holders, in respect of the loan notes issued in the noted parent entity. At the year ended 31 December 2018, Project Global Bidco Limited, total loans note balance was £28,691k (2017: £nil).

22. Pension commitments

The pension charge to the Group's defined contribution pension scheme in the year amounted to £525k (2017 - £591k). There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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23. Commitments under operating leases

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £000	Group 2017 £000
Not later than 1 year	495	668
Later than 1 year and not later than 5 years	1,090	2,221
Later than 5 years	622	-
	<u>2,207</u>	<u>2,889</u>

24. Related party transactions

The Parent Company has taken advantage of the exemption provided by paragraph 33.1A of FRS 102 not to disclose transactions with entities that are part of the Group by virtue of its status as a 100% owned subsidiary of a Parent Company whose financial statements are consolidated and made publicly available.

At year end there were balances owed by the Group to one (2017: two) of the directors of the Group of £4k (2017 - £44k). The director loan accounts are interest free, repayable on demand and unsecured.

Aggregate remuneration for 5 (2017 - 4) employees of £115k (2017 - £144k) was paid to close family members of two directors.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group, or in relation to the Company. In the opinion of the board the Group and Company's key management are the directors of The Appointment Group Limited.

Total compensation to key management personnel is:

	2018 £000	2017 £000
Key management personnel	243	906
	<u>243</u>	<u>906</u>

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25. Controlling party

The Company's parent is Project Global Bidco Limited.

The Company's ultimate controlling party is Project Global Topco Limited.

The smallest group of undertakings for which Group accounts for the year ended 31 December 2018 have been drawn up, is that headed by The Appointment Group Limited, these financial statements.

The largest group of undertakings for which Group accounts for the period ended 31 December 2018 have been drawn up, is that headed by Project Global Topco Limited. Copies of the Group accounts are available from The Linen House, 253 Kilburn Lane, London, England, W10 4BQ.