
TMP (Holdings) Limited

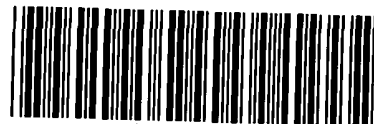
Report and Financial Statements

Year Ended

31 December 2016

Company Number 05648042

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TMP (Holdings) Limited

Report and financial statements for the year ended 31 December 2016

Contents

Page:

1	Strategic report
3	Directors' report
5	Independent auditor's report
7	Consolidated statement of comprehensive income
8	Consolidated balance sheet
9	Consolidated statement of changes in equity
10	Consolidated statement of cash flows
11	Company balance sheet
12	Company statement of changes in equity
13	Notes forming part of the financial statements

Directors

A Wilkinson
J Porter
S Cooney
W Eccles
E Jewer

Secretary and registered office

Stephen Cooney, 265 Tottenham Court Road, London, W1T 7RQ

Company number

05648042

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

TMP (Holdings) Limited

Strategic report for the year ended 31 December 2016

Principal activities and trading review

The principal activities of the TMP (Holdings) Limited Group ("TMP") are as an employer brand-led sourcing, attraction and candidate management business that will drive the most efficient solutions across a wide mix of customers with a strong digital mix to maximise their return on investment to deliver high-performing employees.

The Group's key financial indicators during the trading year were as follows:

	2016 £'000	2015 £'000
Turnover	59,306	64,891
Gross profit	23,495	25,140
EBITDA and redundancy, dilapidation, refinance	3,904	7,578
Depreciation	281	274
Redundancy costs	286	12
Dilapidation costs	-	13
Exchange differences	(151)	17
Net interest	67	260
Refinancing costs	14	400
Taxation charge	637	1,653
Profit after tax	2,770	4,949

Earnings before interest, tax, depreciation, amortisation, dilapidations, redundancy and refinance costs were £3,904k (2015 - £7,578k) which represents 17% of gross profit (2015 - 30%). The directors consider this to be a disappointing performance.

The directors use other non-financial indicators in order to manage the performance. The low senior management employee turnover signifies the stability of both employee engagement and business development. Retention in 2016 was 76% (2015 - 91%). An annual employment engagement survey is also distributed and acted upon in order to retain the best talent.

TMP recognises its responsibilities towards the environment. We continually look at ways we can reduce our carbon footprint. Our Environmental Awareness Policy is the cornerstone of our intent to reduce our carbon footprint, improve recycling, reduce reliance on packaging, minimise waste, and improve efficiencies on finite natural resources in all of the Group's operations and all departments. For example, electricity consumption in TMP's head office has reduced 1% year on year based on kWh.

Future developments

TMP has had a difficult year as a result of trading conditions, pricing pressures and the loss of some larger clients. Our core measure of success continues to be EBITDA which was in excess of £3.5 million (excess of £7 million for 2015). EBITDA is also the key measure for both our bankers Investec and Graphite Capital, the majority shareholder of the company.

Our product offering continues to be comprehensive and appropriate for the market. We will continue to invest in our people and our business while at the same time continuing to challenge our cost base.

The Group has a broad blue chip customer base of organisations throughout the commercial, financial services and the public sector. Whilst we expect public sector cost pressures to continue through the requirement to work more cost effectively, they are still recruiting and our commercial clients having been through recovery mode are cautiously investing in their people again.

TMP believes that there is still a significant level of opportunity within the market and the drive to continue winning new business remains at the forefront of the business model through the offering of a quality product without the current customer base being adversely affected.

TMP (Holdings) Limited

**Strategic report (*continued*)
for the year ended 31 December 2016**

Principal risks and uncertainties

The Group operates primarily within the recruitment sector and as such its performance to some extent will be dependent upon conditions in the UK economy, and the impact that these conditions have upon employment opportunities. The recruitment sector continues to grow in the use of digital tools to attract candidates and the corresponding decline in the use of traditional print media is still evident. The Group is in a strong position to continue taking advantage of these changes.

In addition, much attention has been given to broadening the services that TMP offers to the market, in order to provide an 'end to end' solution to clients.

By order of the Board

A handwritten signature in black ink, appearing to read 'S. Cooney', with a long, sweeping underline that extends to the right.

Stephen Cooney

Director

Date 7 July 2017

TMP (Holdings) Limited

Directors' report for the year ended 31 December 2016

The directors present their report and financial statements for the year ended 31 December 2016.

Information included in the Strategic Report

The following information is included in the strategic report:

- Details of the principal activities of the Group
- A review of the Group's performance for the period and future developments
- A summary of the principal risks and uncertainties affecting the business
- Information relating to the KPIs monitored by the Group

Results and dividends

The consolidated profit on ordinary activities for the year after taxation is £2,770,386 (2015 - £4,948,625). The directors do not recommend the payment of a dividend (2015 - £Nil).

Financial risk management objectives and policies

Price risk

As the economy recovers and improves, the Group will inevitably face price pressures through both internal and external costs. TMP aims to find balance to maximise revenue and provide customers with optimal service whilst centrally controlling the internal cost base in order to meet EBITDA targets.

Credit risk

The importance of managing credit risk in the current economic climate remains pivotal in maintaining the high level of cash generation that has been achieved historically. Relationships with both client and suppliers must be preserved in order to minimise aged debt and also comply with NPA guidelines.

Liquidity risk

The Group has made a profit of £2,770,386 (2015 - £4,948,625), has net current assets of £3,397,426 (2015 - £415,241) and net assets of £4,062,115 (2015 - £1,292,929). The Group had loans outstanding of £nil at the year-end having repaid bank borrowings. The directors believe that the current facilities and current trading will allow the company to be able to meet its working capital requirements for the foreseeable future.

Cash flow risk

The Group takes measures to reduce cash flow risk by effectively managing debtor days and balances. Historically, TMP has generally sustained a level of aged debt below 1% of the Group's overall balance. This mitigates risk by maintaining a more than sufficient level of short term funding which ensures that all liabilities are provided for in a timely manner.

Directors

The directors who served the company during the year are as listed on the contents page. There were no appointments or resignations in the year.

Charitable donations

Charitable donations for the year ended 31 December 2016 amounted to £2,180 (2015 - £370).

TMP (Holdings) Limited

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

Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the candidates' particular aptitudes and abilities are consistent with adequately meeting the requirement of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The Group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. The directors recognise the importance of employees making a positive contribution to the growth and profitability of the business and recognise the importance of investing in their future. Additional investments in training and coaching are planned with the view to fully developing the potential of our employees.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of Directors responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the Group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and company and of the profit or loss of the Group and 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

Stephen Cooney
Director
Date 7 July 2017



TMP (Holdings) Limited

Independent auditor's report

To the members of TMP (Holdings) Limited

We have audited the financial statements of TMP (Holdings) Limited for the year ended 31 December 2016 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company balance sheet, the company statement of changes in equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at 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 Group's and the parent company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

TMP (Holdings) Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the company and its 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.



*Gary Hanson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom*

Date 7 July 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

TMP (Holdings) Limited

Consolidated statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	59,305,958	64,890,937
Cost of sales		(35,811,307)	(39,750,855)
Gross profit		23,494,651	25,140,082
Dilapidation costs		-	(13,259)
Redundancy costs		(281,417)	(11,684)
Other administrative expenses		(19,738,948)	(18,254,094)
Administration expenses		(20,020,365)	(18,279,037)
Operating profit	4	3,474,286	6,861,045
Interest receivable and similar income		4,285	-
Interest payable and similar charges	7	(71,282)	(259,568)
Profit on ordinary activities before taxation		3,407,289	6,601,477
Taxation on profit on ordinary activities	8	(636,903)	(1,652,852)
Profit for the financial year		2,770,386	4,948,625
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,770,386	4,948,625

All amounts are derived from continuing operations.

The notes on pages 13 to 27 form part of these financial statements.

TMP (Holdings) Limited

Consolidated balance sheet at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	10	-	-	-	-
Tangible assets	11	664,689		877,688	
			664,689		877,688
Current assets					
Debtors	13	9,997,282		7,743,237	
Cash at bank and in hand		3,975,874		2,808,940	
		13,973,156		10,552,177	
Creditors: amounts falling due within one year	14	(10,575,730)		(10,136,936)	
Net current assets			3,397,426		415,241
Net assets			4,062,115		1,292,929
Capital and reserves					
Called up share capital	18		5,592		5,600
Share premium			267,608		268,800
Profit and loss account			3,788,915		1,018,529
Shareholders' funds			4,062,115		1,292,929

The financial statements were approved by the Board of Directors and authorised for issue on 7 July 2017.


Stephen Cooney
Director

The notes on pages 13 to 27 form part of these financial statements.

TMP (Holdings) Limited

Consolidated statement of changes in equity for the year ended 31 December 2016

	Share capital £	Share premium £	Profit and loss account £	Total £
1 January 2016	5,600	268,800	1,018,529	1,292,929
<i>Comprehensive income for the year</i>				
Profit for the year	-	-	2,770,386	2,770,386
Total comprehensive income for the year	5,600	268,800	3,788,915	4,063,315
Contributions by and distributions to owners				
Issue of ordinary share capital	-	-	-	-
Repurchase of ordinary share capital	(8)	(1,192)	-	(1,200)
31 December 2016	5,592	267,608	3,788,915	4,062,115
	Share capital £	Share premium £	Profit and loss account £	Total £
1 January 2015	5,600	251,150	(3,930,096)	(3,673,346)
<i>Comprehensive income for the year</i>				
Profit for the year	-	-	4,948,625	4,948,625
Total comprehensive income for the year	5,600	251,150	1,018,529	1,275,279
Contributions by and distributions to owners				
Issue of ordinary share capital	19	18,981	-	19,000
Repurchase of ordinary share capital	(19)	(1,331)	-	(1,350)
31 December 2015	5,600	268,800	1,018,529	1,292,929

The notes on pages 13 to 27 form part of these financial statements.

TMP (Holdings) Limited

Consolidated statement of cash flows for the year ended 31 December 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the financial year		3,474,286	6,861,045
Adjustments for:			
Depreciation and amortisation of fixed assets		281,140	274,474
(Increase)/decrease in trade and other debtors		(2,246,159)	3,837,906
Increase/(decrease) in trade creditors		1,337,639	(2,802,210)
Cash from operations			
Taxation paid		(1,292,466)	(5,489)
Net cash generated from operating activities		1,554,440	8,165,726
Cash flows from investing activities			
Purchases of tangible fixed assets		(68,141)	(464,192)
Interest paid		(71,282)	(461,579)
Interest received		4,285	-
Net cash from investing activities		(135,138)	(925,771)
Cash flows from financing activities			
Issue of ordinary share capital		-	19,000
Repurchase of ordinary share capital		(1,200)	(1,350)
Repayment of bank loans		(251,168)	(5,375,000)
Net cash used in financing activities		(252,368)	(5,357,350)
Net increase in cash and cash equivalents		1,166,934	1,882,605
Cash and cash equivalents at beginning of year		2,808,940	926,335
Cash and cash equivalents at end of year		3,975,874	2,808,940
Cash and cash equivalents comprise:			
Cash at bank and in hand		3,975,874	2,808,940
		3,975,874	2,808,940

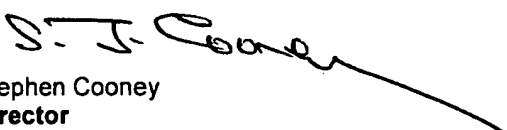
The notes on pages 13 to 27 form part of these financial statements.

TMP (Holdings) Limited

Company balance sheet at 31 December 2016

Company number 5648042	Note	2016 £	2015 £
Fixed assets			
Investments	12	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors	13	697,352	698,582
		<u>697,352</u>	<u>698,582</u>
Net current assets		<u>697,352</u>	<u>698,582</u>
Net assets		<u>697,353</u>	<u>698,583</u>
Capital and reserves			
Called up share capital	18	5,592	5,600
Share premium		267,608	268,800
Profit and loss account		424,153	424,183
		<u>697,353</u>	<u>698,583</u>
Shareholders' funds		<u>697,353</u>	<u>698,583</u>

The financial statements were approved by the Board of Directors and authorised for issue on 7 July 2017.


Stephen Cooney
Director

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 parent company for the year was £30 (2015 - £33)

The notes on pages 13 to 27 form part of these financial statements.

TMP (Holdings) Limited

Statement of changes in equity for the year ended 31 December 2016

	Share capital £	Share premium £	Profit and loss account £	Total £
1 January 2016	5,600	268,800	424,183	698,583
<i>Comprehensive income for the year</i>				
Loss for the year	-	-	(30)	(30)
Total comprehensive income for the year	5,600	268,800	424,153	698,553
Contributions by and distributions to owners				
Issue of ordinary share capital	-	-	-	-
Repurchase of ordinary share capital	(8)	(1,192)	-	(1,200)
31 December 2016	5,592	267,608	424,153	697,353
	Share capital £	Share premium £	Profit and loss account £	Total £
1 January 2015	5,600	251,150	424,216	680,966
<i>Comprehensive income for the year</i>				
Loss for the year	-	-	(33)	(33)
Total comprehensive income for the year	5,600	251,150	424,183	680,933
Contributions by and distributions to owners				
Issue of ordinary share capital	19	18,981	-	19,000
Repurchase of ordinary share capital	(19)	(1,331)	-	(1,350)
31 December 2015	5,600	268,800	424,183	698,583

The notes on pages 13 to 27 form part of these financial statements.

TMP (Holdings) Limited

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

1 Accounting policies

TMP (Holdings) Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of TMP (Holdings) Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2015.

Revenue

There are two principal areas of activity in which the Group is involved. These are Talent Management and Directory Advertising ("TMP Magnet"). The Group operates in predominantly one geographical segment, being the United Kingdom.

Turnover comprises billings from advertising and communications where revenue is derived from the placement of adverts into newspapers, internet career job boards and other media sources. Revenue is recognised upon placement date for newspapers and other media. Online media revenue is recognised when services are purchased. Revenue earned from the performance of recruitment services is recognised in line with the delivery of the service.

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Tangible assets

Tangible assets 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.

TMP (Holdings) Limited

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

1 Accounting policies (continued)

Depreciation

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Leasehold improvements	- Life of lease or first break clause
Office equipment	- 20% - 33.3% per annum
Furniture and fixtures and fittings	- 20% - 33.3% per annum
IT, software and hardware	- 20% - 40% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'other operating income or losses' in the statement of comprehensive income.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Goodwill

Goodwill arising on acquisitions is capitalised in the balance sheet and amortised through the profit and loss account.

Goodwill arising on the acquisition of the TMP business in 2006 was amortised on a straight line basis over 7 years which, in the opinion of the directors, was the useful economic life of the goodwill acquired and is now fully amortised.

Goodwill arising on the acquisition of the Tribal Resourcing business was amortised as paid over the deferred consideration period of 3 years, which, in the opinion of the directors is the useful economic life of the goodwill acquired and is also now fully amortised.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

TMP (Holdings) Limited

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

1 Accounting policies (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the company's functional and the Group's presentation currency.

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, including any goodwill in relation to that entity. 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.

(b) Transactions and balances

Foreign currency transactions are translated into the Group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income or expense'.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest rate 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.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

TMP (Holdings) Limited

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

1 Accounting policies *(continued)*

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leased assets: Lessee

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

For leases entered into on or after 1 January 2015, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Pension costs

The Group operates a defined contributions pension scheme. Additionally, the Group makes employer contributions into individual personal pension schemes. Contributions to the pension schemes are recognised in the statement of comprehensive income as they become payable.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Reserves

The Group and company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

TMP (Holdings) Limited

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

1 Accounting policies (*continued*)

Going concern

The Group has made a profit of £2,770,386 (2015 - £4,948,625), has net current assets of £3,397,426 (2015 – £415,241) and net assets of £4,062,115 (2015 – £1,292,929). The Group repaid its remaining loan during the year. The directors believe that the current facilities and related covenants will provide sufficient funding for the Group to be able to meet its working capital requirements for the foreseeable future. In view of this, the directors consider that it remains appropriate for the financial statements to be prepared on a going concern basis.

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

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

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible assets (see note 11)*

Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

TMP (Holdings) Limited

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

3 Turnover and segmental analysis

Turnover and operating results are wholly attributable to the principal activities of the group and are stated net of value added tax. The group continues to operate in 2 principal areas of activity, that of TMP Recruitment and TMP Magnet. Turnover, group profit on ordinary activities before tax and net liabilities are analysed as follows;

	Talent Management		TMP Magnet		Total	
	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover						
Continuing operations	48,783	56,688	10,523	8,203	59,306	64,891
Profit						
Segment profit	5,680	9,135	796	1,213	6,476	10,348
Common costs					(3,069)	(3,746)
Profit on ordinary activities before taxation					3,407	6,602
Net assets						
Net assets by segment	3,341	1,349	721	195	4,062	1,544
Unallocated net liabilities					-	(251)
Total net assets					4,062	1,293

TMP (Holdings) Limited

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

4 Operating profit

Operating profit is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets - owned	281,140	274,474
Auditor's remuneration - audit - group	55,000	55,000
- taxation - group	7,000	7,000
Operating lease charges - other	915,147	917,342
- plant and machinery	-	-
Exchange (gain)/loss	(151,185)	16,501
	<hr/>	<hr/>

5 Directors' remuneration

The directors receive remuneration for their services to both the company and certain other subsidiaries in the group. Their total remuneration for all their services are charged in the financial statements of the other group companies.

	2016 £	2015 £
Aggregate remuneration	849,601	809,600
Company contributions to money purchase pension schemes	44,798	89,483
	<hr/>	<hr/>
	894,399	899,083
	<hr/>	<hr/>

The aggregate remuneration of the highest paid director was £272,813 (2015 - £247,500). For the highest paid director, pension contributions of £8,438 (2015 - £33,750) were paid.

Payments were made to the defined contribution pension scheme in the year on behalf of four directors (2015 - four).

6 Staff costs

	2016 £	2015 £
Wages and salaries	13,877,753	13,295,827
Social security costs	1,297,398	1,301,118
Cost of defined contribution scheme	384,374	387,270
	<hr/>	<hr/>
	15,559,525	14,984,215
	<hr/>	<hr/>

TMP (Holdings) Limited

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

6 Staff costs *(continued)*

The average monthly number of employees during the year was made up as follows:

	2016 No.	2015 No.
TMP Recruitment	318	335
TMP Magnet	19	10
Administration	29	30
	<hr/>	<hr/>
	366	375
	<hr/>	<hr/>

7 Interest payable and similar charges

	2016 £	2015 £
Bank loans and overdrafts	71,282	259,568
	<hr/>	<hr/>
	71,282	259,568
	<hr/>	<hr/>

TMP (Holdings) Limited

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

8 Taxation on profit on ordinary activities

	2016 £	2015 £
<i>UK corporation tax</i>		
Current tax on profits for the year	(704,385)	(1,354,304)
Tax overprovided in previous years	59,596	-
	<hr/>	<hr/>
Total current tax	(644,789)	(1,354,304)
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	7,886	(298,548)
	<hr/>	<hr/>
Tax charge on profit on ordinary activities	(636,903)	(1,652,852)
	<hr/>	<hr/>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	3,407,288	6,601,477
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.0% (2015 – 20.25%)	681,458	1,336,799
Effects of:		
Depreciation for period in excess of capital allowances	-	298,548
Expenses not deductible for tax purposes	15,154	-
Other reconciling items	(113)	17,505
Tax overprovided in prior years	(59,596)	-
	<hr/>	<hr/>
Total tax charge for year	636,903	1,652,852
	<hr/>	<hr/>

As at 31 December 2016, the company had tax losses to carry forward of £nil (2015 - £nil).

TMP (Holdings) Limited

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

9 Profit attributable to members of the parent company

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 parent company for the year was £30 (2015 - £33).

10 Intangible assets

	Goodwill £
<i>Cost</i>	
At 1 January 2016 and 31 December 2016	31,003,618
<i>Accumulated amortisation</i>	
At 1 January 2016 and 31 December 2016	31,003,618
<i>Net book value</i>	
At 1 January 2016 and 31 December 2016	-

Goodwill arising on the acquisition of the TMP business in 2006 was amortised evenly over the directors' estimate of its useful economic life of 7 years.

Goodwill arising on the acquisition of the Tribal Resourcing business in 2011 was amortised over a period of 3 years.

Goodwill in respect of both acquisitions became fully amortised during the year ended 31 December 2014.

TMP (Holdings) Limited

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

11 Tangible assets

	Leasehold improvements £	Office equipment £	IT, software and hardware £	Total £
<i>Cost</i>				
At 1 January 2016	1,665,308	77,313	835,532	2,578,153
Additions	-	-	68,141	68,141
Disposals	-	-	-	-
At 31 December 2016	1,665,308	77,313	903,673	2,646,294
<i>Depreciation</i>				
At 1 January 2016	1,010,918	31,943	657,604	1,700,465
Charge for the year	168,525	15,320	97,295	281,140
Disposals	-	-	-	-
At 31 December 2016	1,179,443	47,263	754,899	1,981,605
<i>Net book value</i>				
At 31 December 2016	485,865	30,050	148,774	664,689
At 31 December 2015	654,390	45,370	177,928	877,688

12 Fixed asset investments

	Subsidiary undertakings £
<i>Cost and net book value</i>	
At 1 January 2016	1
Disposals	(-)
At 31 December 2016	1

Details of the investments are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Nature of business
TMP (UK) Limited	Ordinary Shares	100%	Recruitment Advertising

The registered address of the subsidiary is 265 Tottenham Court Road, London, W1T 7RQ.

All subsidiaries are included in the consolidated financial statements.

TMP (Holdings) Limited

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

13 Debtors	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	8,754,582	6,567,544	-	-
Other debtors	346,472	370,088	-	-
Amounts owed by group undertakings	-	-	697,352	698,582
Prepayments and accrued income	852,020	769,283	-	-
Deferred tax asset (Note 17)	44,208	36,322	-	-
	9,997,282	7,743,237	697,352	698,582
14 Creditors			Group 2016 £	Group 2015 £
Amounts falling due within one year:				
Trade creditors			8,689,394	7,301,175
Corporation tax			701,138	1,348,815
Other taxation and social security			785,835	638,685
Other creditors			44,852	58,193
Bank borrowings (note 15)			-	251,168
Accruals			354,511	538,900
			10,575,730	10,136,936

TMP (Holdings) Limited

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

15 Loans and other borrowings

	2016 £	2015 £
Bank borrowings	-	251,168
	-	251,168
Maturity of financial liabilities:		
In one year or less, or on demand	-	251,168
In more than one year, but no more than two years	-	-
In more than two years, but no more than five years	-	-
	-	251,168

The bank borrowings were repaid during the year.

16 Financial instruments

The Group's and company's financial instruments may be analysed as follows:

	Group 2016 £'000	Group 2015 £'000
Financial assets		
Financial assets measured at amortised cost	13,076,928	9,746,572
Financial liabilities		
Financial liabilities measured at amortised cost	8,734,246	7,610,536

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors and other creditors.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the directors' report.

TMP (Holdings) Limited

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

17 Deferred taxation

	At 1 January 2016 £	Movement in the year £	At 31 December 2016 £
Decelerated/capital allowances	25,026	9,433	34,459
Other short term timing differences	11,296	(1,547)	9,749
	<u>36,322</u>	<u>7,886</u>	<u>44,208</u>

18 Share capital

	2016 Number	Authorised 2015 Number	2016 £	2015 £
'A' Ordinary issued equity of £0.01	305,000	305,000	3,050	3,050
'B' Ordinary issued equity of £0.01	155,583	155,583	1,556	1,556
'C' Ordinary issued equity of £0.01	39,417	39,417	394	394
'D' Ordinary issued equity of £1	600	600	600	600
	<u>500,600</u>	<u>500,600</u>	<u>5,600</u>	<u>5,600</u>
		Allotted, called up and fully paid		
	2016 Number	2015 Number	2016 £	2015 £
'A' Ordinary issued equity of £1	305,000	305,000	3,050	3,050
'B' Ordinary issued equity of £0.01	155,583	155,583	1,556	1,556
'C' Ordinary issued equity of £0.01	38,617	39,417	386	394
'D' Ordinary issued equity of £1	600	600	600	600
	<u>499,800</u>	<u>500,600</u>	<u>5,592</u>	<u>5,600</u>

TMP (Holdings) Limited

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

19 Commitments under operating leases

At 31 December 2016 the Group had minimum lease payments under non-cancellable operating leases set out as below:

Group	2016 £	2015 £
Not later than one year	924,168	924,164
Later than one year and not later than five years	1,840,867	2,675,867
Later than five years	40,000	60,000
	<u>2,805,035</u>	<u>3,660,031</u>

There are no hire purchase agreements in place at the year-end or any material leasing arrangements except in relation to operational property leases.

20 Related party disclosures

Key management personnel include all directors and a number of senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the Group was £1,049,944 (2015 - £1,079,306).

21 Entity with controlling interest in the Group

Graphite Capital Partners VI ("Graphite") owns 61% (2015 - 61%) of the company's ordinary shares.

22 Pension commitments

The Group operates a defined contribution pension scheme to provide benefits to employees.

Contributions to the defined contribution scheme amounted to £384,374 (2015 - £387,270). At December 2016, contributions of £51,309 were outstanding to the scheme (2015 - £59,450).