

TMP (Holdings) Limited

Report and Financial Statements

Year Ended

31 December 2013

Company Number 5648042

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TMP (Holdings) Limited

Report and financial statements for the year ended 31 December 2013

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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

5648042

Auditors

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

TMP (Holdings) Limited

Strategic report for the year ended 31 December 2013

Principal activities and trading review

The principal activities of the group 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 company's key financial indicators during the trading year were as follows:

	2013 £'000	2012 £'000
Turnover	69,903	68,931
Gross profit	25,235	22,571
EBITDA and redundancy and refinance costs	6,513	5,508
Depreciation	331	415
Goodwill amortisation	2,135	4,836
Redundancy costs	405	354
Interest and refinance costs	963	1,190
Taxation	(1,535)	-
Profit(Loss) after tax	4,214	(1,286)

Earnings before interest, tax, depreciation, amortisation and redundancy and refinance costs were £6,513,154 (2012 - £5,508,462) which represents 26% of gross profit (2012 – 24%). The directors consider this to be a commendable performance.

The group uses 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 2013 was 92% (2012 – 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 company's operations and all departments. For example, electricity consumption in TMPs head office has reduced 15% year on year based on kWh.

Impact of the recession and future developments

TMP has continued to perform well since the recent difficult recession. Our core measure of success continues to be EBITDA which was in excess of £6m (£5m for 2012). EBITDA is also the key measure for both our bankers Investec and our major shareholder Graphite Capital.

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 throughout commercial, financial services and the public sector. Whilst we expect public sector cost pressures to continue through the requirement to work more cost

TMP (Holdings) Limited

**Strategic report (*continued*)
for the year ended 31 December 2013**

Impact of the recession and future developments (*continued*)

effectively, they are still recruiting and our commercial clients having been through recovery mode are visibly 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.

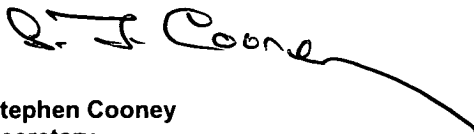
TMP has moved its physical Irish presence out of Dublin and now manages the Irish client offering directly out of the UK.

Principal risks and uncertainties

The company 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 company believes it 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



Stephen Cooney
Secretary
Date

28 July 2014

TMP (Holdings) Limited

Report of the directors for the year ended 31 December 2013

The directors present their report and financial statements for the year ended 31 December 2013.

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 company 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 company

Results and dividends

The consolidated profit on ordinary activities for the year after taxation is £4,213,915 (2012 loss of £1,286,215). The directors do not recommend the payment of a dividend (2012 – £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 maintain 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 £4,213,915 (2012 – loss of £1,286,215), has net current liabilities of £2,520,190 (2012 - £5,767,272) and net liabilities of £8,252,028 (2012 £12,538,141). The balance sheet is reflective of the purchase of the group's business in May 2006, where bank borrowings and loan notes were issued in order to fund the acquisition. The company refinanced its debt in March 2012 which provides funding until May 2016. The directors believe that the current facilities and related covenants will provide sufficient funding for 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 company'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.

Charitable donations

Charitable donations for the year ended 31 December 2013 amounted to £550 (2012 - £641).

TMP (Holdings) Limited

Report of the directors for the year ended 31 December 2013

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.

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

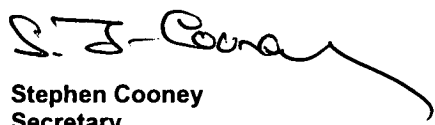
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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
Secretary

28 July 2014

TMP (Holdings) Limited
Independent auditor's report

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 2013 which comprise the group profit and loss account, the group statement of total recognised gains and losses, the group and company balance sheets, the group consolidated cash flow statement 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 2013 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 the information given in the Strategic Report & Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

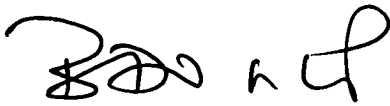
TMP (Holdings) Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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*

29 July 2014

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

TMP (Holdings) Limited

Group profit and loss account for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	69,902,974	68,931,182
Cost of sales		44,668,296	46,360,567
Gross profit		25,234,678	22,570,615
Other administrative expenses		(19,053,161)	(17,476,687)
Redundancy costs		(404,824)	(354,245)
Amortisation of goodwill arising on acquisition	9	(2,134,991)	(4,836,175)
Administration expenses		(21,592,976)	(22,667,107)
Operating profit	3	3,641,702	(96,492)
Interest receivable		3,789	
Interest payable and similar charges	6	(966,446)	(1,189,723)
Profit /(Loss) on ordinary activities before taxation		2,679,045	(1,286,215)
Taxation on loss on ordinary activities	7	1,534,870	-
Profit /(Loss) for the year after taxation	17	4,213,915	(1,286,215)

All amounts are derived from continuing operations.

Group statement of total recognised gains and losses for the year ended 31 December 2013

	2013 £	2012 £
Profit / (Loss) for the financial year	4,213,915	(1,286,215)
Currency translation differences	31,498	(24,719)
Total recognised gains and losses relating to the year	4,245,413	(1,310,934)


The notes on pages 12 to 27 form part of these financial statements.

TMP (Holdings) Limited

Group balance sheet
at 31 December 2013

<i>Company number 5648042</i>	<i>Note</i>	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Goodwill	9	303,964		2,154,481	
Tangible assets	10	851,898		1,150,368	
			1,155,862		3,304,849
Current assets					
Debtors	12	11,740,354		9,164,143	
Cash at bank and in hand		2,108,314		1,484,456	
		13,848,668		10,648,599	
Creditors: amounts falling due within one year	13	(16,368,858)		(16,415,871)	
Net current liabilities			(2,520,190)		(5,767,272)
Total assets less current liabilities			(1,364,328)		(2,462,423)
Creditors: amounts falling due after more than one year	13		(6,887,700)		(10,075,718)
Net liabilities			(8,252,028)		(12,538,141)
Capital and reserves					
Called up share capital	16		306,944		314,347
Share premium	17		242,356		194,253
Profit and loss account	17		(8,801,328)		(13,046,741)
Shareholders' deficit	18		(8,252,028)		(12,538,141)

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2014


Stephen Cooney
 Secretary
 Date

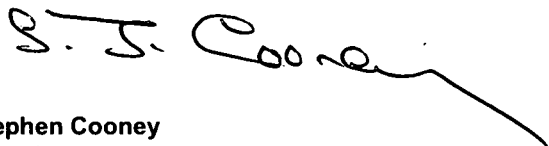
The notes on pages 12 to 27 form part of these financial statements.

TMP (Holdings) Limited

Company balance sheet at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	11	2	2
		<hr/>	<hr/>
		2	2
Current assets			
Debtors	12	549,298	508,598
		<hr/>	<hr/>
Net current assets		549,298	508,598
		<hr/>	<hr/>
Net assets		549,300	508,600
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	16	306,944	314,347
Share premium	17	242,356	194,253
		<hr/>	<hr/>
Shareholders' funds	18	549,300	508,600
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on



Stephen Cooney
Secretary
Date

The notes on pages 12 to 27 form part of these financial statements.

TMP (Holdings) Limited

Group cash flow statement for the year ended 31 December 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	20(a)	5,928,471	4,454,616
Returns on investments and servicing of finance			
Interest paid		(997,885)	(3,672,488)
Taxation			
Corporation tax (paid)/received		(164)	(219)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(80,552)	(350,460)
Acquisitions and disposals			
Acquisition of business		(638,364)	(681,553)
		<hr/>	<hr/>
Net cash (outflow)/inflow before financing		4,211,506	(250,104)
Financing			
Repayment of loan notes		(2,872,810)	(1,500,000)
Increase/(decrease) in short term borrowings		(746,336)	593,520
		<hr/>	<hr/>
		(3,619,146)	(906,480)
		<hr/>	<hr/>
Increase in cash		592,360	(1,156,584)
Exchange differences		31,498	(24,719)
		<hr/>	<hr/>
Total		623,858	(1,181,303)
		<hr/>	<hr/>

The notes on pages 12 to 27 form part of these financial statements.

TMP (Holdings) Limited

Group cash flow statement (continued) for the year ended 31 December 2013

	Note	2013 £	2012 £
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash		623,858	(1,181,303)
Cash inflow from increase fixed term bank loan		-	(2,304,697)
Cash outflow from repayment of fixed term bank loan		1,004,792	-
Cash (inflow)/outflow from repayment of short term borrowings		(258,399)	1,711,406
Cash outflow from repayment of loan notes		3,592,883	4,917,360
		<hr/>	<hr/>
Change in net debt resulting from cash flows	20(b)	4,963,134	3,142,767
Non cash movement in net debt	20(b)	(651,694)	(853,273)
		<hr/>	<hr/>
Movement in net debt		4,311,440	2,289,494
Net debt at the beginning of the year	20(b)	(12,406,493)	(14,695,986)
		<hr/>	<hr/>
Net debt at 31 December	20(b)	<u>(8,095,053)</u>	<u>(12,406,493)</u>

The notes on pages 12 to 27 form part of these financial statements.

TMP (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2013

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of TMP (Holdings) Limited and all of its subsidiary undertakings drawn up to 31 December each year. No profit or loss account is presented for TMP (Holdings) Limited as permitted by section 408 of the Companies Act 2006.

The group profit and loss account and cash flow statement includes the results of the subsidiaries for the year ended 31 December 2013.

Going concern

The group has made a profit of £4,213,915 (2012 – loss of £1,286,215), has net current liabilities of £2,520,190 (2012 - £5,767,272) and net liabilities of £8,252,028 (2012 - £12,538,141). The balance sheet is reflective of the purchase of the business in May 2006, where bank borrowings and loan notes were issued in order to fund the acquisition. The company refinanced its debt in March 2012 which provides funding until May 2016. The directors believe that the current facilities and related covenants will provide sufficient funding for the company 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.

Turnover and revenue recognition

There are two principal areas of activity in which the group is involved. These are Brand Lead Direct Resourcing (TMP Recruitment) and Directory Advertising (TMP Magnet). The Group operates in predominantly one geographical segment, being the United Kingdom.

Turnover comprises revenue 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.

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 is amortised on a straight line basis over 7 years which, in the opinion of the directors, is the useful economic life of the goodwill acquired.

Goodwill arising on the acquisition of the Tribal Resourcing business is amortised as paid over the deferred consideration period of 3 years. The directors consider that this equates to the useful economic life of the goodwill acquired.

Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

TMP (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2013

1 Accounting policies

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected life as follows:

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

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Operating leases

Rentals payable under operating lease are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

Foreign currencies

Company

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at the contracted rates if the transaction is covered by a foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

Group

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013

1 Accounting policies

Deferred taxation (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The group operates two defined contribution pensions scheme. Additionally, the group makes employer contributions into individual personal pension schemes. Contributions to the pension schemes are recognised in the profit and loss as they become payable.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

2. Turnover

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

	TMP Recruitment		TMP Magnet		Total	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Turnover						
Continuing operations	59,752	56,486	10,151	12,445	69,903	68,931
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit						
Segment profit	9,328	7,535	968	1,274	10,296	8,809
	<hr/>	<hr/>	<hr/>	<hr/>		
Common costs					(7,617)	(10,095)
					<hr/>	<hr/>
Profit(Loss) on ordinary activities before taxation					2,679	(1,286)
					<hr/>	<hr/>
Net liabilities						
Net liabilities by segment	(520)	(3,116)	(88)	(687)	(608)	(3,803)
	<hr/>	<hr/>	<hr/>	<hr/>		
Unallocated net liabilities					(7,644)	(8,735)
					<hr/>	<hr/>
Total net liabilities					(8,252)	(12,538)
					<hr/>	<hr/>

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

3 Operating profit/(loss)

This is stated after charging/(crediting):

	2013 £	2012 £
Amortisation	2,134,991	4,836,175
Depreciation of tangible fixed assets - owned	379,146	415,093
Auditor's remuneration - audit – group	61,022	66,872
- taxation - group	9,150	10,458
Operating lease charges - land and buildings	1,044,445	926,701
- other	278	40,538
Exchange gain	(47,898)	(234)
	<hr/>	<hr/>

4 Directors' remuneration

The directors receive remuneration from the company 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. The number of directors enrolled in the pension scheme is 4.

	2013 £	2012 £
Aggregate remuneration	810,552	885,485
Pension contributions	89,650	89,311
	<hr/>	<hr/>
	900,202	974,796
	<hr/>	<hr/>

The total remuneration, including pension contributions of £33,750 (2012 – £33,750), of the highest paid director were £247,500 (2012 – £287,500).

5 Staff costs

	2013 £	2012 £
Wages and salaries	14,074,380	12,174,776
Social security costs	1,316,991	1,186,399
Other pension costs	369,973	478,124
	<hr/>	<hr/>
	15,761,344	13,839,299
	<hr/>	<hr/>

The comparative figures have been restated to include employee costs of £915,275 which were charged to cost of sales and which had previously been omitted in the 2012 financial statements note.

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

5 Staff costs (continued)

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

	2013 No.	2012 No.
TMP Recruitment	318	236
TMP Magnet	12	13
Administration	33	40
	<hr/>	<hr/>
	363	289
	<hr/>	<hr/>

6 Interest payable and similar charges

	2013 £	2012 £
Bank loans, overdrafts and other loans repayable within five years	314,752	255,127
Loan notes	651,694	853,273
Refinance costs	-	81,323
	<hr/>	<hr/>
	966,446	1,189,723
	<hr/>	<hr/>

Other loans include amounts in relation to the acquisition of the business and assets in 2006.

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (*continued*)

7 Tax

	2013 £	2012 £
(a) Tax on profit/(loss) on ordinary activities		
The tax credit is made up as follows:		
<i>UK corporation tax</i>		-
Current tax on income for the year	(735,008)	
	<hr/>	<hr/>
Total current tax	(735,008)	-
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination/reversal of other timing differences	286,959	-
Recognition of Tax Losses	1,982,919	-
	<hr/>	<hr/>
Tax credit on profit/(loss) on ordinary activities	1,534,870	-
	<hr/>	<hr/>

(b) 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:

	2013 £	2012 £
Profit /(loss) on ordinary activities before tax	2,679,045	(1,286,215)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24%)	622,878	(308,691)
Effects of:		
Expenses not deductible for tax purposes	13,108	40,639
Depreciation for period in excess of capital allowances	60,174	50,592
Rate difference on overseas earnings	20,160	14,028
Other timing differences	(1,939)	(20,247)
Unrelieved tax losses carried forward	20,627	223,679
	<hr/>	<hr/>
Current tax charge for year	735,008	-
	<hr/>	<hr/>

As at 3 July 2014, the group had tax losses in the UK to carry forward of approximately £5.9m (2012 – £9.1m) subject to clearance from HMRC. A deferred tax asset has been recognised for £1,535k at the future tax rate of 21% (note 15) on the basis of forecasted future profits.

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 *(continued)*

8 Profit attributable to members of the parent company

The profit attributable to members of the parent company was £nil (2012 - £nil).

9 Intangible fixed assets

	Goodwill £
<i>Group</i>	
Cost	
At 1 January 2013	30,702,244
Additions	284,474
	<hr/>
At 31 December 2013	30,986,718
	<hr/>
Accumulated amortisation	
At 1 January 2013	28,547,763
Charge for the year	2,134,991
	<hr/>
At 31 December 2013	30,682,754
	<hr/>
Net book value	303,964
At 31 December 2013	<hr/>
	<hr/>
At 1 January 2013	2,154,481
	<hr/>

Goodwill arising on the acquisition of the TMP business in 2006 has been amortised evenly over the directors' estimate of its useful economic life of 7 years and was fully amortised by the balance sheet date.

On 28 February 2011, the company acquired part of the business of Tribal Resourcing Limited for a deferred consideration payable in six-monthly instalments over the next three years based on 20% of revenue for each 6 month period up to a maximum of £6,000,000 in total.

The fair value of the consideration payable is determined by the directors based on the likely amounts payable. Having re-visited the estimate of the amounts payable the directors expect increased instalment payments to be made, which constitute the addition to goodwill in the year.

Goodwill arising on the acquisition of the Tribal Resourcing business is being amortised as paid over the deferred consideration period of 3 years.

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

10 Tangible fixed assets

	Leasehold improvements £	Office Equipment £	Furniture, fixtures and fittings £	IT, software and hardware £	Total £
<i>Cost</i>					
At 1 January 2013	1,677,964	15,923	20,851	2,040,669	3,755,407
Additions	8,030	6,260	-	65,802	80,092
Disposals	(42,953)	-	(2,000)	(2,842)	(47,795)
Exchange difference arising on consolidation of overseas assets	271	-	-	70	341
At 31 December 2013	1,643,312	22,183	18,851	2,103,699	3,788,045
<i>Depreciation</i>					
At 1 January 2013	799,289	9,215	18,174	1,778,361	2,605,039
Charge for the year	217,566	3,321	1,788	156,470	379,146
Disposals	(42,953)	-	(2,000)	(2,842)	(47,795)
Exchange difference arising on consolidation of overseas assets	(506)	-	-	(96)	(602)
At 31 December 2013	973,756	12,536	17,962	1,931,893	2,936,147
<i>Net book value</i>					
At 31 December 2013	669,556	9,647	889	171,806	851,898
At 31 December 2012	878,675	6,708	2,677	262,308	1,150,368

11 Investments

	Subsidiary undertakings £
<i>Cost and net book value</i>	2
At 1 January 2013 and 31 December 2013	

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

11 Investments (*continued*)

Details of the investments in which the group and the company (unless indicated) holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
TMP (UK) Limited	Ordinary Shares	100%	Recruitment Advertising
TMP Media (Ireland) Limited (Incorporated in Ireland)	Ordinary Shares	100%	Recruitment Advertising

12 Debtors

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Trade debtors	8,827,550	8,738,777	-	-
Other debtors	302,290	4,784	-	-
Amounts owed by group undertakings	-	-	549,298	508,598
Prepayments and accrued income	1,072,788	417,890	-	-
Corporation tax recoverable	2,856	2,692	-	-
Deferred tax asset (Note 15)	1,534,870			
	<u>11,740,354</u>	<u>9,164,143</u>	<u>549,298</u>	<u>508,598</u>

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

13 Creditors	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Amounts falling due within one year:				
Bank borrowings	994,980	741,565	-	-
8% short term equity holder loan (see note 14)	2,320,687	2,389,066	-	-
2% short term equity holder loan (see note 14)	-	872,810	-	-
Trade creditors	10,566,913	10,437,911	-	-
Other taxes and social security	755,110	502,066	-	-
Other creditors	51,946	47,409	-	-
Deferred & Contingent consideration	303,964	474,629	-	-
Accruals	1,375,258	950,415	-	-
	<u>16,368,858</u>	<u>16,415,871</u>	<u>-</u>	<u>-</u>
	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Amounts falling due after more than one year:				
8% B fixed rate secured loan stock (see note 14)	5,627,190	7,627,190	-	-
Secured fixed term bank borrowings (May 2016)	1,260,510	2,260,317	-	-
Deferred & Contingent consideration	-	188,211	-	-
	<u>6,887,700</u>	<u>10,075,718</u>	<u>-</u>	<u>-</u>

The bank borrowings are by way of an invoice discounting facility and a fixed term loan both expiring in May 2016, which is secured by a fixed and floating charge over group companies' assets. The loans attract interest at base rate plus 4.5% and 5% respectively. Furthermore, a first ranking all assets guarantee and debenture is in place in respect of these borrowings, together with personal warranties in the lenders' favour from each of the company's directors.

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

14 Loans

The group's repayable, included within creditors, are analysed as follows: All loans are wholly repayable within five years.

	2013	2012
<i>Amounts repayable within one year</i>		
8% short term equity holder loan stock repayable in February 2013	-	2,389,066
8% fixed rate secured equity holder loan stock repayable in February 2014	2,320,687	-
2% 'B' fixed rate secured loan stock repayable in May 2013	-	872,810
<i>Amounts repayable between one and two years</i>		
8% B fixed rate secured loan stock of £5,627,190 repayable after 2015	5,627,190	7,627,190
	<u>7,947,877</u>	<u>10,889,066</u>

15 Deferred taxation

	At 1 January 2013	Movement in the year	At 31 December 2013
	£	£	£
Decelerated/ capital allowances	-	281,573	281,573
Other short term timing differences	-	5,386	5,386
Tax losses	-	1,247,911	1,247,911
	<u>-</u>	<u>1,534,870</u>	<u>1,534,870</u>

The Group also has unprovided deferred tax assets of £63,482 (2012: £42,675) which have not been recognised due to uncertainties over the Group's ability to utilise the losses and recover the timing differences which comprise the unrecognised potential assets

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

16 Issued share capital

	2013 Number	Authorised 2012 Number	2013 £	2012 £
'A' Ordinary issued equity of £1	305,000	312,500	305,000	312,500
'B' Ordinary issued equity of £0.01	155,583	155,583	1,556	1,556
'C' Ordinary issued equity of £0.01	39,417	31,917	394	319
	<u>500,000</u>	<u>500,000</u>	<u>306,950</u>	<u>314,375</u>
	2013 Number	Allotted, called up and fully paid 2012 Number	2013 £	2012 £
'A' Ordinary issued equity of £1	305,000	312,500	305,000	312,500
'B' Ordinary issued equity of £0.01	155,583	155,583	1,556	1,556
'C' Ordinary issued equity of £0.01	38,617	29,817	388	298
	<u>499,200</u>	<u>497,900</u>	<u>306,944</u>	<u>314,354</u>

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

17 Reserves

	Share Capital £	Share premium account £	Profit and loss account £	Total £
Group				
Balance at 1 January 2012	314,347	194,253	(11,735,807)	(11,227,207)
Retained loss for the year	-	-	(1,286,215)	(1,286,215)
Translation reserve	-	-	(24,719)	(24,719)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance 31 December 2012	314,347	194,253	(13,046,741)	(12,538,141)
Reduction / Issue of ordinary share capital	(7,403)	48,103	-	40,700
Retained profit for the year	-	-	4,391,961	4,391,961
Translation reserve	-	-	31,498	31,498
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2013	306,944	242,356	(8,623,282)	(8,073,982)
	<hr/>	<hr/>	<hr/>	<hr/>
Company				
Balance at 1 January 2012	314,347	194,253	-	508,600
Retained loss for the year	-	-	-	-
Translation reserve	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Closing balance 31 December 2012	314,347	194,253	-	508,600
Reduction / Issue of ordinary share	(7,403)	48,103	-	40,700
Retained loss for the year	-	-	-	-
Translation reserve	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2013	306,944	242,356	-	549,300
	<hr/>	<hr/>	<hr/>	<hr/>

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

18 Reconciliation of movements in shareholders' funds/(deficit)

	Group £	Company £
Shareholders' funds at 1 January 2011	(9,174,145)	-
Loss for the financial year	(2,034,603)	-
Currency translation differences	(18,459)	-
	<hr/>	<hr/>
Shareholders' funds at 31 December 2011	(11,227,207)	508,600
Loss for the financial year	(1,286,215)	-
Currency translation differences	(24,719)	-
	<hr/>	<hr/>
Shareholders' funds at 31 December 2012	(12,538,141)	508,600
Reduction / Issue of share capital	40,700	40,700
Profit for the financial year	4,391,961	-
Currency translation differences	31,498	-
	<hr/>	<hr/>
	(8,073,982)	549,300
At December 2013	<hr/>	<hr/>

19 Other financial commitments

Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases payable in the next year as follows:

	Land and buildings	
	2013 £	2012 £
<i>Group</i>		
Operating leases which expire:		
Within one year	671,060	20,000
Within two to five years	117,087	914,485
	<hr/>	<hr/>
	788,147	934,485
	<hr/>	<hr/>

TMP (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

20 Notes to the cash flow statement

(a) Reconciliation of operating loss to net cash inflow from operating activities:

	2013 £	2012 £
Operating profit /(loss)	3,649,251	(96,492)
Depreciation	379,146	415,093
Amortisation of goodwill	2,134,991	4,836,175
(Increase)/decrease in debtors	(1,041,234)	1,097,135
Increase/(decrease) in trade creditors	806,441	(1,788,051)
Foreign exchange translation	(124)	(9,244)
Net cash inflow from operating activities	5,928,471	4,454,616

(b) Analysis of net debt

	2012 £	Cash flow £	Other non cash movements £	2013 £
Cash at bank and in hand	1,484,456	623,858	-	2,108,314
Cash	1,484,456	623,858	-	2,108,314
Loan notes	(10,889,066)	3,592,883	(651,694)	(7,947,877)
Short term bank borrowings	263,419	(258,399)	-	5,020
Fixed term bank loan	(3,265,302)	1,004,792	-	(2,260,510)
Net debt position	(12,406,493)	4,963,134	(651,694)	(8,095,053)

TMP (Holdings) Limited

**Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)**

21 Related party transactions

There were no transactions with related parties outside the group except for the equity holder loan of £7,947,877 (2012 – £10,889,066) disclosed in Note 14.

22 Entity with controlling interest in the group

Graphite Capital Partners VI("Graphite") owns 99% (2012 – 99%) of the Group's ordinary shares.

23 Post balance sheet events

TMP (Holdings) Ltd undertook a share restructuring in May 2014, during which the nominal value of the class A shares were reduced from £1 to £0.01 each and a 4th class of share was created (D) with a nominal value of £1. Graphite ownership share changed to 61% of the Group's ordinary shares.

TMP (UK) Ltd (a subsidiary company) undertook a refinancing transaction in April 2014. A further £5m of secured fixed term borrowings was received from Investec to be repaid over a period of 48 months with the final repayment due in March 2018. There was no change to the existing fixed term borrowings which were in place at the balance sheet date.

In addition, TMP (UK) Ltd took the opportunity to repay in full the 8% 'B' fixed rate secured equity holder loan stock of £5,627k plus related interest, back to Graphite, with the final position being that the only outstanding debt now held is with Investec.