

TMP (Holdings) Limited

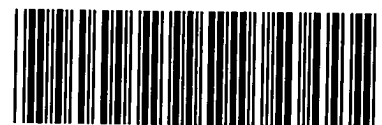
Report and Financial Statements

Year Ended

31 December 2014

Company Number 05648042

FRIDAY



L47X0MTD

LD7

22/05/2015

#49

COMPANIES HOUSE

TMP (Holdings) Limited

Report and financial statements for the year ended 31 December 2014

Contents

Page:

1	Strategic report
3	Report of the directors
5	Independent auditor's report
7	Group profit and loss account and group statement of total recognised gains and losses
8	Group balance sheet
9	Company balance sheet
10	Group cash flow statement
12	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 2014

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

	2014 £'000	2013 £'000
Turnover	68,189	69,903
Gross profit	25,972	25,235
EBITDA and redundancy, dilapidation, refinance, other one-off costs	7,514	6,513
Depreciation	446	331
Goodwill amortisation	321	2,135
Redundancy costs	216	405
Dilapidation costs	144	-
Exchange differences	33	-
Costs in relation to closure of Ireland office	17	-
Net interest and refinance costs	559	963
Taxation charge/(credit)	<u>1,200</u>	<u>(1,535)</u>
Profit after tax	4,578	4,214

Earnings before interest, tax, depreciation, amortisation, dilapidations, redundancy and refinance costs were £7,514,000 (2013 - £6,513,000) which represents 29% of gross profit (2013 - 26%). The directors consider this to be a commendable performance.

In the year the nominal value of A class ordinary shares were reduced from £1 to £0.01 each. This has been treated as a capital reduction and the movement has been credited to the profit and loss reserve.

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 2014 was 86% (2013 - 92%). 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 4% year on year based on kWh.

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 £7 million (excess of £6 million for 2013). EBITDA is also the key measure for both our bankers Investec and our majority 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.

TMP (Holdings) Limited

Strategic report (*continued*)
for the year ended 31 December 2014

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

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 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 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



Stephen Cooney

Director

Date 21 MAY 2015

TMP (Holdings) Limited

Report of the directors for the year ended 31 December 2014

The directors present their report and financial statements for the year ended 31 December 2014.

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 £4,577,909 (2013 - £4,213,915). The directors do not recommend the payment of a dividend (2013 - £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 £4,577,909 (2013 - £4,213,915), has net current liabilities of £986,316 (2013 - £2,520,190) and net liabilities of £3,673,346 (2013 - £8,252,028). 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 February 2014 which provides funding until March 2018, solely from bank borrowings. 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. There were no appointments or resignations in the year.

Charitable donations

Charitable donations for the year ended 31 December 2014 amounted to £591 (2013 - £550).

TMP (Holdings) Limited

Report of the directors for the year ended 31 December 2014

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). 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;
- 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

21 MAY 2015

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 2014 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 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 2014 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.

BDO LLP

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

Date *22 May 2015*

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 2014

	Note	2014 £	2013 £
Turnover	2	68,188,957	69,902,974
Cost of sales		(42,216,796)	(44,668,296)
		<hr/>	<hr/>
Gross profit		25,972,161	25,234,678
Other administrative expenses		(18,954,512)	(19,053,161)
Dilapidation costs		(144,076)	-
Redundancy costs		(215,771)	(404,824)
Amortisation of goodwill arising on acquisition	9	(320,864)	(2,134,991)
		<hr/>	<hr/>
Administration expenses		(19,635,223)	(21,592,976)
		<hr/>	<hr/>
Operating profit	3	6,336,938	3,641,702
Interest receivable		108	3,789
Interest payable and similar charges	6	(559,137)	(966,446)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		5,777,909	2,679,045
Taxation (charge)/credit	7	(1,200,000)	1,534,870
		<hr/>	<hr/>
Profit for the year after taxation	17	4,577,909	4,213,915
		<hr/>	<hr/>

All amounts are derived from continuing operations.

Group statement of total recognised gains and losses for the year ended 31 December 2014

	2014 £	2013 £
Profit for the financial year	4,577,909	4,213,915
Currency translation differences	(8,627)	31,498
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	4,569,282	4,245,413
	<hr/>	<hr/>


The notes on pages 12 to 26 form part of these financial statements.

TMP (Holdings) Limited

Group balance sheet at 31 December 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Goodwill	9	-		303,964	
Tangible assets	10	687,970		851,898	
			687,970		1,155,862
Current assets					
Debtors	12	11,879,691		11,740,354	
Cash at bank and in hand		926,335		2,108,314	
		12,806,026		13,848,668	
Creditors: amounts falling due within one year	13	(13,792,342)		(16,368,858)	
Net current liabilities			(986,316)		(2,520,190)
Total assets less current liabilities			(298,346)		(1,364,328)
Creditors: amounts falling due after more than one year	13		(3,375,000)		(6,887,700)
Net liabilities			(3,673,346)		(8,252,028)
Capital and reserves					
Called up share capital	16		5,600		306,944
Share premium	17		251,150		242,356
Profit and loss account	17		(3,930,096)		(8,801,328)
Shareholders' deficit	18		(3,673,346)		(8,252,028)

The financial statements were approved by the Board of Directors and authorised for issue on 21 MAY 2015


Stephen Cooney
Director

The notes on pages 12 to 26 form part of these financial statements.

TMP (Holdings) Limited

Company balance sheet at 31 December 2014

Company number 5648042	Note	2014 £	2013 £
Fixed assets			
Investments	11	2	2
		<hr/>	<hr/>
		2	2
Current assets			
Debtors	12	680,964	549,298
		<hr/>	<hr/>
Net current assets		680,964	549,298
		<hr/>	<hr/>
Net assets		680,966	549,300
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	16	5,600	306,944
Share premium	17	251,150	242,356
Profit and loss account	17	424,216	-
		<hr/>	<hr/>
Shareholders' funds	18	680,966	549,300
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 21 MAY 2015



Stephen Cooney
Director

The notes on pages 12 to 26 form part of these financial statements.

TMP (Holdings) Limited

Group cash flow statement for the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	20(a)	4,534,170	5,928,471
Returns on investments and servicing of finance			
Interest paid		(860,756)	(997,885)
Interest received		101	-
Taxation			
Corporation tax paid		-	(164)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(281,863)	(80,552)
Acquisitions and disposals			
Settlement of deferred consideration liabilities		(320,864)	(638,364)
Net cash outflow before financing		3,070,788	4,211,506
Financing			
Issue of share capital		10,600	-
Repurchase of share capital		(2,550)	-
Repayment of loan notes		(7,627,190)	(2,872,810)
Repayment of bank loan		(1,625,000)	-
Increase in short term borrowings		-	(746,336)
Increase in bank loan		5,000,000	-
		(4,244,140)	(3,619,146)
(Decrease)/increase in cash		(1,173,352)	592,360
Exchange differences		(8,627)	31,498
Total		(1,181,979)	623,858

The notes on pages 12 to 26 form part of these financial statements.

TMP (Holdings) Limited

Group cash flow statement (continued) for the year ended 31 December 2014

	Note	2014 £	2013 £
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash		(1,181,979)	623,858
Cash inflow from increase fixed term bank loan		(5,000,000)	-
Cash outflow from repayment of fixed term bank loan		1,625,000	1,004,792
Cash inflow from repayment of short term borrowings		-	(258,399)
Cash outflow from repayment of loan notes		7,627,190	3,592,883
		<hr/>	<hr/>
Change in net debt resulting from cash flows	20(b)	3,070,211	4,963,134
Non cash movement in net debt	20(b)	301,719	(651,694)
		<hr/>	<hr/>
Movement in net debt		3,371,930	4,311,440
Net debt at 1 January	20(b)	(8,095,053)	(12,406,493)
		<hr/>	<hr/>
Net debt at 31 December	20(b)	(4,723,123)	(8,095,053)
		<hr/>	<hr/>

The notes on pages 12 to 26 form part of these financial statements.

TMP (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2014

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 2014.

Going concern

The group has made a profit of £4,577,909 (2013 - £4,213,915), has net current liabilities of £986,316 (2013 - £2,520,190) and net liabilities of £3,673,346 (2013 - £8,252,028). 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 February 2014 which provides funding until March 2018, solely from bank borrowings. 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, which, in the opinion of the directors is 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 2014 (continued)

1 Accounting policies (continued)

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 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.

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.

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014

1 Accounting policies

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.

Dividends

Dividends are recognised once approved for payment by the board and declared to the holders of the company's ordinary share capital.

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	
	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover						
Continuing operations	57,700	59,752	10,489	10,151	68,189	69,903
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Profit						
Segment profit	9,941	9,328	1,576	968	11,517	10,296
	<u> </u>	<u> </u>	<u> </u>	<u> </u>		
Common costs					(5,739)	(7,617)
					<u> </u>	<u> </u>
Profit on ordinary activities before taxation					5,778	2,679
					<u> </u>	<u> </u>
Net assets/(liabilities)						
Net assets/(liabilities) by segment	1,670	(520)	304	(88)	1,974	(608)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>		
Unallocated net liabilities					(5,647)	(7,644)
					<u> </u>	<u> </u>
Total net liabilities					(3,673)	(8,252)
					<u> </u>	<u> </u>

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

3 Operating profit

Operating profit is stated after charging/(crediting):

	2014 £	2013 £
Amortisation	320,864	2,134,991
Depreciation of tangible fixed assets - owned	445,725	379,146
Loss on disposal of tangible fixed assets	66	-
Auditor's remuneration - audit - group	55,000	61,022
- taxation - group	7,000	9,150
Operating lease charges - other	1,000,386	1,044,445
- plant and machinery	-	278
Exchange loss/(gain)	43,086	(47,898)
	<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.

	2014 £	2013 £
Aggregate remuneration	802,314	860,152
Pension contributions	89,574	89,650
	<hr/>	<hr/>
	891,888	949,802
	<hr/>	<hr/>

The aggregate remuneration of the highest paid director was £236,250 (2013 - £236,250). For the highest paid director, pension contributions of £33,750 (2013 - £33,750) were paid.

Payments were made to the defined contribution pension scheme in the year on behalf of four directors (2013 – four).

5 Staff costs

	2014 £	2013 £
Wages and salaries	13,957,312	14,074,380
Social security costs	1,381,375	1,316,991
Other pension costs	385,879	369,973
	<hr/>	<hr/>
	15,724,566	15,761,344
	<hr/>	<hr/>

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

5 Staff costs (*continued*)

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

	2014 No.	2013 No.
TMP Recruitment	325	318
TMP Magnet	9	12
Administration	35	33
	<hr/>	<hr/>
	369	363
	<hr/>	<hr/>

6 Interest payable and similar charges

	2014 £	2013 £
Bank loans and overdrafts	386,869	314,752
Other loans	134,651	651,694
Refinance costs	37,617	-
	<hr/>	<hr/>
	559,137	966,446
	<hr/>	<hr/>

TMP (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

7 Tax

	2014 £	2013 £
Tax on profit on ordinary activities		
(a) The tax charge is made up as follows:		
<i>UK corporation tax</i>		
Current tax on income for the year	-	(735,008)
Total current tax	-	(735,008)
<i>Deferred tax</i>		
Origination/reversal of other timing differences	-	286,959
Recognition of tax losses	-	1,982,919
Utilisation of tax losses	(1,200,000)	-
Tax (charge)/credit on profit on ordinary activities	(1,200,000)	1,534,870

(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:

	2014 £	2013 £
Profit on ordinary activities before tax	5,777,909	2,679,045
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	1,242,250	622,878
Effects of:		
Expenses not deductible for tax purposes	-	13,108
Depreciation for period in excess of capital allowances	-	60,174
Rate difference on overseas earnings	-	20,160
Other timing differences	(42,250)	(1,939)
Unrelieved tax losses carried forward	-	20,627
Utilisation of tax losses brought forward	(1,200,000)	-
Current tax charge for year	-	735,008

The group had tax losses in the UK to carry forward of approximately £0.2m (2013 - £5.9m) subject to clearance from HMRC. A deferred tax asset has been recognised for £335k at the future tax rate of 20% (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 2014 (*continued*)

8 Profit attributable to members of the parent company

The profit attributable to members of the parent company was £122,266 (2013 - £Nil).

9 Intangible fixed assets

	Goodwill £
<i>Cost</i>	
At 1 January 2014	30,986,718
Adjustment to deferred consideration	16,900
At 31 December 2014	<u>31,003,618</u>
<i>Accumulated amortisation</i>	
At 1 January 2014	30,682,754
Charge for the year	320,864
At 31 December 2014	<u>31,003,618</u>
<i>Net book value</i>	
At 31 December 2014	<u>-</u>
At 31 December 2013	<u>303,964</u>

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.

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

Goodwill in respect of both acquisitions was fully amortised by the balance sheet date.

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

10 Tangible fixed assets

	Leasehold improvements £	Office equipment £	Furniture, fixtures and fittings £	IT, software and hardware £	Total £
<i>Cost</i>					
At 1 January 2014	1,643,312	22,183	18,851	2,103,699	3,788,045
Additions	108,716	65,002	-	108,145	281,863
Disposals	(392,479)	(10,994)	(18,851)	(1,533,623)	(1,955,947)
At 31 December 2014	1,359,549	76,191	-	678,221	2,113,961
<i>Depreciation</i>					
At 1 January 2014	973,756	12,536	17,962	1,931,893	2,936,147
Charge for the year	291,793	14,993	822	138,117	445,725
Disposals	(392,479)	(10,994)	(18,784)	(1,533,624)	(1,955,881)
At 31 December 2014	873,070	16,535	-	536,386	1,425,991
<i>Net book value</i>					
At 31 December 2014	486,479	59,656	-	141,835	687,970
At 31 December 2013	669,556	9,647	889	171,806	851,898

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

11 Investments

Subsidiary
undertakings
£

Cost and net book value

At 1 January 2014 and 31 December 2014

2

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
TMP Media (Ireland) Limited (Incorporated in Ireland)	Ordinary Shares	100%	Recruitment Advertising

All subsidiaries are included in the consolidated financial statements.

12 Debtors

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade debtors	10,418,723	8,827,550	-	-
Other debtors	375,021	302,290	1,350	-
Amounts owed by group undertakings	-	-	679,614	549,298
Prepayments and accrued income	751,077	1,072,788	-	-
Corporation tax recoverable	-	2,856	-	-
Deferred tax asset (Note 15)	334,870	1,534,870	-	-
	<u>11,879,691</u>	<u>11,740,354</u>	<u>680,964</u>	<u>549,298</u>

TMP (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

13 Creditors	Group 2014 £	Group 2013 £
Amounts falling due within one year:		
Trade creditors	9,460,508	10,566,913
Other taxation and social security	940,528	755,110
Other creditors	164,477	51,946
Bank borrowings (note 14)	2,274,458	994,980
8% fixed rate secured loan stock (note 14)	-	2,320,687
Accruals	952,371	1,375,258
Deferred and contingent consideration	-	303,964
	<hr/> 13,792,342	<hr/> 16,368,858
Amounts falling due after more than one year:		
8% 'B' fixed rate secured equity holder loan stock (note 14)	-	5,627,190
Secured fixed term bank borrowings (March 2018) (note 14)	3,375,000	1,260,510
	<hr/> 3,375,000	<hr/> 6,887,700

The bank borrowings are by way of an invoice discounting facility and two fixed term loans, expiring February 2016 and March 2018, which are secured by a fixed and floating charge over group companies' assets. The loans attract interest at base rate plus 5% and 4.5% 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 2014 (continued)

14 Loans

	2014 £	2013 £
Bank borrowings	5,649,458	2,255,490
8% fixed rate secured equity holder loan stock	-	2,320,687
8% B fixed rate secured loan stock	-	5,627,190
	<u>5,649,458</u>	<u>10,203,367</u>
 Maturity of financial liabilities		
In one year or less, or on demand	2,274,458	3,315,667
In more than one year, but more than two years	1,500,000	6,887,700
In more than two years, but more than five years	1,875,000	-
	<u>5,649,458</u>	<u>10,203,367</u>

All loans are wholly repayable within five years.

15 Deferred taxation

	At 1 January 2014 £	Movement In the year £	At 31 December 2014 £
Decelerated/capital allowances	281,573	-	281,573
Other short term timing differences	5,386	-	5,386
Tax losses	1,247,911	(1,200,000)	47,911
	<u>1,534,870</u>	<u>(1,200,000)</u>	<u>334,870</u>

The Group also has unprovided deferred tax assets of £63,482 (2013 - £63,482) 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 2014 (continued)

16 Issued share capital

	2014 Number	Authorised 2013 Number	2014 £	2013 £
'A' Ordinary issued equity of £0.01 (2013: £1)	305,000	305,000	3,050	305,000
'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	-
	<u>500,600</u>	<u>500,000</u>	<u>5,600</u>	<u>306,950</u>
	Allotted, called up and fully paid			
	2014 Number	2013 Number	2014 £	2013 £
'A' Ordinary issued equity of £1 (2013: £1)	305,000	305,000	3,050	305,000
'B' Ordinary issued equity of £0.01	155,583	155,583	1,556	1,556
'C' Ordinary issued equity of £0.01	39,417	38,617	394	388
'D' Ordinary issued equity of £1	600	-	600	-
	<u>500,600</u>	<u>499,200</u>	<u>5,600</u>	<u>306,944</u>

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.

During the year the following share issues took place:

- 800 'C' Ordinary shares at £10 each on 30 April 2014
- 600 'D' Ordinary shares at £1 each on 2 June 2014

17 Reserves

Group	Share premium account £	Profit and loss account £	Total £
Balance 1 January 2014	242,356	(8,801,328)	(8,558,972)
Issue of ordinary share capital	8,794	-	8,794
Reduction in ordinary share capital	-	301,950	301,950
Retained profit for the year	-	4,577,909	4,577,909
Movement in foreign exchange	-	(8,627)	(8,627)
	<u>251,150</u>	<u>(3,930,096)</u>	<u>(3,678,946)</u>
Balance at 31 December 2014	251,150	(3,930,096)	(3,678,946)

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

17 Reserves

Company	Share premium account £	Profit and loss account £	Total £
Balance 1 January 2014	242,356	-	242,356
Issue of ordinary share capital	8,794	-	8,794
Reduction in ordinary share capital	-	301,950	301,950
Profit for the year	-	122,266	122,266
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014	251,150	424,216	675,366
	<hr/>	<hr/>	<hr/>

18 Reconciliation of movements in shareholders' funds

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Shareholders' funds at 1 January 2014	(8,252,028)	(12,538,141)	549,300	508,600
Issue of share capital	9,400	40,700	9,400	40,700
Profit for the financial year	4,577,909	4,213,915	122,266	-
Currency translation differences	(8,627)	31,498	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	(3,673,346)	(8,252,028)	680,966	549,300
	<hr/>	<hr/>	<hr/>	<hr/>

TMP (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

19 Other financial commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases payable as follows:

Group	Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Within one year	66,031	671,060
Within two to five years	745,245	117,087
	811,276	788,147

20 Notes to the cash flow statement

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

	2014 £	2013 £
Operating profit	6,336,938	3,649,251
Depreciation	445,725	379,146
Amortisation of goodwill	320,864	2,134,991
Increase in debtors	(1,337,986)	(1,041,234)
(Decrease)/increase in trade creditors	(1,231,371)	806,441
Foreign exchange translation	-	(124)
	4,534,170	5,928,471

(b) Analysis of net debt

	At 1 January 2014 £	Cash flow £	Other non cash movements £	At 31 December 2014 £
Cash at bank and in hand	2,108,314	(1,181,979)	-	926,335
Cash	2,108,314	(1,181,979)	-	926,335
Loan notes	(7,947,877)	7,627,190	320,687	-
Short term bank borrowings	5,020	(5,020)	-	-
Fixed term bank loan	(2,260,510)	(3,369,980)	(18,968)	(5,649,458)
	(8,095,053)	3,070,211	301,719	(4,723,123)

TMP (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

21 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with members of the group headed by TMP (Holdings) Limited on the grounds that 100% of the voting rights in the company are controlled within the group and the company is included in the consolidated financial statements of the group.

During the year there was the full repayment of the equity holder loan and accrued interest of £7,947,877 to Graphite Capital Partners VI, with the final position being that the only outstanding debt now held is with Investec.

During the year the following share issues to Directors took place:

- 800 'C' Ordinary shares £10 each
- 600 'D' Ordinary shares £1 each

22 Entity with controlling interest in the group

Graphite Capital Partners VI ("Graphite") owns 54% (2013 - 99%) of the Group's ordinary shares.

23 Pension commitments

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

Contributions to the defined contribution scheme amounted to £385,879 (2013 - £369,973). At December 2014, contributions of £61,128 were outstanding to the scheme (2013 - £51,018).