

TMP (Holdings) Limited

Annual Report and Financial Statements

Year Ended

31 December 2017

Company Number 05648042



TMP (Holdings) Limited

Annual Report and financial statements for the year ended 31 December 2017

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Directors

A Wilkinson
J Porter
S Cooney
W Eccles

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 2017

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:

	2017 £'000	2016 £'000
Turnover	48,267	59,306
Gross profit	20,658	23,495
EBITDA and redundancy, dilapidation, refinance	2,085	3,904
Depreciation	367	281
Redundancy costs	505	286
Spare Space Provision	1,317	-
Loss on disposal of fixed assets	12	-
Exchange differences	10	(151)
Net interest	61	67
Refinancing costs	-	14
Taxation charge	(17)	637
(Loss)/profit after tax	(170)	2,770

Earnings before interest, tax, depreciation, amortisation and redundancy and refinance costs were £2,085k (2016 - £3,904k) which represents 10% of gross profit (2016 - 17%). 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 2017 was 78% (2016 - 76%). 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 11% year on year based on kWh.

Future developments

The UK economy continues to have challenges including how to deal with Brexit uncertainty.

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 company 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.

TMP (Holdings) Limited

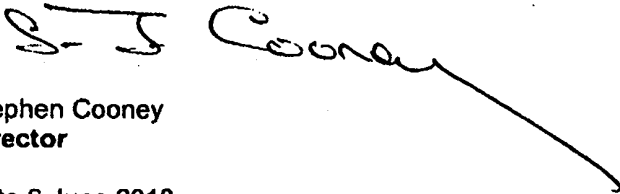
**Strategic report (*continued*)
for the year ended 31 December 2017**

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 horizontal flourish extending to the right.

**Stephen Cooney
Director**

Date 6 June 2018

TMP (Holdings) Limited

Directors' report for the year ended 31 December 2017

The directors present their report and financial statements for the year ended 31 December 2017.

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 loss on ordinary activities for the year after taxation is £169,819 (2016 – profit of £2,770,386). The directors do not recommend the payment of a dividend (2016 - £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 loss of £169,819 (2016 – profit of £2,770,386), has net current assets of £4,069,959 (2016 –£3,397,426) and net assets of £3,882,496 (2016 – £4,062,115). The Group had borrowings outstanding of £368,917 at the year end. 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. E Jewer resigned on 19 January 2018.

Charitable donations

Charitable donations for the year ended 31 December 2017 amounted to £200 (2016 - £2,180).

TMP (Holdings) Limited

Directors' report for the year ended 31 December 2017 (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

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Directors' responsibility statement

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.

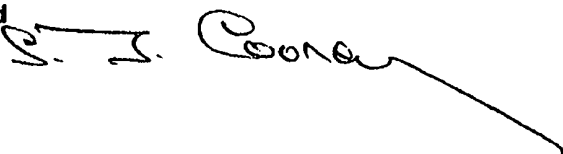
In preparing these financial statements, the directors are required to:

- 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 6 June 2018



TMP (Holdings) Limited

Independent auditor's report

Opinion

We have audited the financial statements of TMP (Holdings) Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2017 which comprise the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows, company balance sheet, company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

TMP (Holdings) Limited

Independent auditor's report (*continued*)

Opinions 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

TMP (Holdings) Limited

Independent auditor's report (*continued*)

Use of our report

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.

A handwritten signature in black ink, appearing to read 'BDO LLP'.

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

Date 6 June 2018

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 2017

	Note	2017 £	2016 £
Turnover	3	48,267,072	59,305,958
Cost of sales		(27,609,067)	(35,811,307)
Gross profit		20,658,005	23,494,651
Redundancy costs		(504,594)	(281,417)
Spare Space provision		(1,316,545)	-
Loss on disposal of fixed assets		(12,039)	-
Other administrative expenses		(18,950,265)	(19,738,918)
Administration expenses		(20,783,443)	(20,020,365)
Operating (loss)/profit	4	(125,438)	3,474,286
Interest receivable and similar income		1,219	4,285
Interest payable and similar charges	7	(62,628)	(71,282)
(Loss)/profit on ordinary activities before taxation		(186,847)	3,407,289
Taxation on (loss)/profit on ordinary activities	8	17,028	(636,903)
(Loss)/profit for the financial year		(169,819)	2,770,386
Other comprehensive income for the year:		-	-
Total comprehensive (loss)/income for the year		(169,819)	2,770,386

All amounts are derived from continuing operations.

The notes on pages 14 to 28 form part of these financial statements.

TMP (Holdings) Limited

Consolidated balance sheet at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	10	-		-	
Tangible assets	11	406,081		664,689	
			406,081		664,689
Current assets					
Debtors	13	7,735,638		9,997,282	
Cash at bank and in hand		4,177,824		3,975,874	
		11,913,462		13,973,156	
Creditors: amounts falling due within one year	14	(7,843,503)		(10,575,730)	
Net current assets			4,069,959		3,397,426
Creditors: amounts falling due after one year	14		(593,544)		-
Net assets			3,882,496		4,062,115
Capital and reserves					
Called up share capital	17		5,559		5,592
Share premium			257,841		267,608
Profit and loss account			3,619,096		3,788,915
Shareholders' funds			3,882,496		4,062,115

The financial statements were approved by the Board of Directors and authorised for issue on 6 June 2018.


Stephen Cooney
Director

The notes on pages 14 to 28 form part of these financial statements.

TMP (Holdings) Limited

Consolidated statement of changes in equity for the year ended 31 December 2017

	Share capital £	Share premium £	Profit and loss account £	Total £
1 January 2017	5,592	267,608	3,788,915	4,062,115
Loss for the year	-	-	(169,819)	(169,819)
Total comprehensive loss for the year	5,592	267,608	3,619,096	3,892,296
Contributions by and distributions to owners				
Repurchase of ordinary share capital	(33)	(9,767)	-	(9,800)
31 December 2017	5,559	257,841	3,619,096	3,882,496
	Share capital £	Share premium £	Profit and loss account £	Total £
1 January 2016	5,600	268,800	1,018,529	1,292,929
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				
Repurchase of ordinary share capital	(8)	(1,192)	-	(1,200)
31 December 2016	5,592	267,608	3,788,915	4,062,115

The notes on pages 14 to 28 form part of these financial statements.

TMP (Holdings) Limited

Consolidated statement of cash flows for the year ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
(Loss)/profit for the financial year		(125,438)	3,474,286
Adjustments for:			
Depreciation and amortisation of fixed assets		367,089	281,140
Loss on disposal of fixed assets		12,039	
Decrease/(increase) in trade and other debtors		2,494,680	(2,246,159)
(Decrease)/increase in trade creditors		(1,437,545)	1,337,639
Cash from operations			
Taxation paid		(917,146)	(1,292,466)
Net cash generated from operating activities		393,679	1,554,440
Cash flows from investing activities			
Purchases of tangible fixed assets		(120,520)	(68,141)
Interest paid		(62,628)	(71,282)
Interest received		1,219	4,285
Net cash from investing activities		(181,929)	(135,138)
Cash flows from financing activities			
Repurchase of ordinary share capital		(9,800)	(1,200)
Repayment of bank loans		-	(251,168)
Net cash used in financing activities		(9,800)	(252,368)
Net increase in cash and cash equivalents		201,950	1,166,934
Cash and cash equivalents at beginning of year		3,975,874	2,808,940
Cash and cash equivalents at end of year		4,177,824	3,975,874
Cash and cash equivalents comprise:			
Cash at bank and in hand		4,177,824	3,975,874
		4,177,824	3,975,874

The notes on pages 14 to 28 form part of these financial statements.

TMP (Holdings) Limited

Company balance sheet at 31 December 2017

Company number 5648042	Note	2017 £	2016 £
Fixed assets			
Investments	12	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors	13	687,552	697,352
		<u>687,552</u>	<u>697,352</u>
Net current assets		687,552	697,352
		<u>687,552</u>	<u>697,352</u>
Net assets		687,553	697,353
		<u>687,553</u>	<u>697,353</u>
Capital and reserves			
Called up share capital	17	5,559	5,592
Share premium		257,841	267,608
Profit and loss account		424,153	424,153
		<u>687,553</u>	<u>697,353</u>
Shareholders' funds		687,553	697,353
		<u>687,553</u>	<u>697,353</u>

The financial statements were approved by the Board of Directors and authorised for issue on 6 June 2018.



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 £nil (2016 - £30)

The notes on pages 14 to 28 form part of these financial statements.

TMP (Holdings) Limited

Statement of changes in equity for the year ended 31 December 2017

	Share capital £	Share premium £	Profit and loss account £	Total £
1 January 2017	5,592	267,608	424,153	697,353
Loss for the year	-	-	-	-
Total comprehensive income for the year	5,592	267,608	424,153	697,353
Contributions by and distributions to owners				
Repurchase of ordinary share capital	(33)	(9,767)	-	(9,800)
31 December 2017	5,559	257,841	424,153	687,553
	Share capital £	Share premium £	Profit and loss account £	Total £
1 January 2016	5,600	268,800	424,183	698,583
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				
Repurchase of ordinary share capital	(8)	(1,192)	-	(1,200)
31 December 2016	5,592	267,608	424,153	697,353

The notes on pages 14 to 28 form part of these financial statements.

TMP (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2017

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 2016.

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 2017 (*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
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 was 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 2017 (*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 2017 (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 2016, 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 2017 (*continued*)

1 Accounting policies (*continued*)

Going concern

The Group has made a loss of £169,819 (2016 – profit of £2,770,386), has net current assets of £4,069,959 (2016 – £3,397,426) and net assets of £3,882,496 (2016 – £4,062,115). 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 2017 (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	
	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover						
Continuing operations	46,499	48,783	1,768	10,523	48,267	59,306
Profit						
Segment profit	4,847	5,680	400	796	5,247	6,476
Common costs					(5,434)	(3,069)
(Loss)/profit on ordinary activities before taxation					(187)	3,407
Net assets						
Net assets by segment	3,882	3,341	-	721	3,882	4,062
Unallocated net liabilities					-	-
Total net assets					3,882	4,062

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

4 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets - owned	367,089	281,140
Auditor's remuneration - audit	55,000	55,000
- taxation	7,000	7,000
Operating lease charges - other	836,065	915,147
Spare Space provision	1,316,545	-
Loss on disposal of fixed assets	12,039	-
Exchange loss/(gain)	10,037	(151,185)
	<u> </u>	<u> </u>

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.

	2017 £	2016 £
Aggregate remuneration	877,689	849,601
Company contributions to money purchase pension schemes	16,946	44,798
	<u> </u>	<u> </u>
	894,635	894,399
	<u> </u>	<u> </u>

The aggregate remuneration of the highest paid director was £281,250 (2016 - £272,813). For the highest paid director, pension contributions of £nil (2016 - £8,438) were paid.

Payments were made to the defined contribution pension scheme in the year on behalf of four directors (2016 - four).

6 Staff costs

	2017 £	2016 £
Wages and salaries	13,233,748	13,877,753
Social security costs	1,182,992	1,297,398
Cost of defined contribution scheme	327,119	384,374
	<u> </u>	<u> </u>
	14,743,859	15,559,525
	<u> </u>	<u> </u>

TMP (Holdings) Limited

**Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)**

6 Staff costs (continued)

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

	2017 No.	2016 No.
TMP Recruitment	288	318
TMP Magnet	-	19
Administration	24	29
	<hr/>	<hr/>
	312	366
	<hr/>	<hr/>

7 Interest payable and similar charges

	2017 £	2016 £
Bank loans and overdrafts	62,628	71,282
	<hr/>	<hr/>

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 *(continued)*

8 Taxation on (loss)/profit on ordinary activities

	2017 £	2016 £
<i>UK corporation tax</i>		
Current tax on (loss)/profit for the year	4,634	(704,385)
Tax overprovided in previous years	-	59,596
R&D tax balance written off	(3,246)	-
	<hr/>	<hr/>
Total current tax	1,388	(644,789)
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	21,142	7,886
Tax overprovided in previous years	(5,502)	-
	<hr/>	<hr/>
Total deferred tax	15,640	7,886
	<hr/>	<hr/>
Tax credit/(charge) on (loss)/profit on ordinary activities	17,028	(636,903)
	<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:

	2017 £	2016 £
(Loss)/profit on ordinary activities before tax	(186,847)	3,407,289
	<hr/>	<hr/>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 – 20.0%)	(35,968)	681,458
Effects of:		
Expenses not deductible for tax purposes	12,128	15,154
Other reconciling items	(1,936)	(113)
Tax overprovided in prior years	8,748	(59,596)
	<hr/>	<hr/>
Total tax (credit)/charge for year	(17,028)	636,903
	<hr/>	<hr/>

TMP (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

9 (Loss)/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 £nil (2016 - £30).

10 Intangible assets

	Goodwill £
<i>Cost</i>	
At 1 January 2017 and 31 December 2017	31,003,618
<i>Accumulated amortisation</i>	
At 1 January 2017 and 31 December 2017	31,003,618
<i>Net book value</i>	
At 1 January 2017 and 31 December 2017	-

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 2017 (continued)

11 Tangible assets

	Leasehold improvements £	Office equipment £	IT, software and hardware £	Total £
<i>Cost</i>				
At 1 January 2017	1,665,308	77,313	903,673	2,646,294
Additions	49,892	17,814	52,814	120,520
Disposals	-	(33,713)	-	(33,713)
At 31 December 2017	<u>1,715,200</u>	<u>61,414</u>	<u>956,487</u>	<u>2,733,101</u>
<i>Depreciation</i>				
At 1 January 2017	1,179,443	47,263	754,899	1,981,605
Charge for the year	246,977	17,798	102,314	367,089
Disposals	-	(21,674)	-	(21,674)
At 31 December 2017	<u>1,426,420</u>	<u>43,387</u>	<u>857,213</u>	<u>2,327,020</u>
<i>Net book value</i>				
At 31 December 2017	<u>288,780</u>	<u>18,027</u>	<u>99,274</u>	<u>406,081</u>
At 31 December 2016	<u>485,865</u>	<u>30,050</u>	<u>148,774</u>	<u>664,689</u>

12 Fixed asset investments

	Subsidiary undertakings £
<i>Cost and net book value</i>	
At 1 January 2017	1
Disposals	-
At 31 December 2017	<u>1</u>

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 2017 (continued)

13 Debtors	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	6,637,791	8,754,582	-	-
Other debtors	420,164	346,472	-	-
Amounts owed by group undertakings	-	-	687,552	697,352
Prepayments and accrued income	617,835	852,020	-	-
Deferred tax asset (Note 16)	59,848	44,208	-	-
	<u>7,735,638</u>	<u>9,997,282</u>	<u>687,552</u>	<u>697,352</u>
14 Creditors			Group 2017 £	Group 2016 £
Amounts falling due within one year:				
Trade creditors			5,899,300	8,689,394
Corporation tax			-	701,138
Other taxation and social security			698,200	785,835
Other creditors			42,662	44,852
Accruals			246,403	354,511
Provisions			588,021	-
Bank borrowings			368,917	-
			<u>7,843,503</u>	<u>10,575,730</u>
Amounts falling due after one year:			£	£
Provisions			<u>593,544</u>	-
			<u>593,544</u>	-

As at the balance sheet date, provisions of £588,021 (2016: £nil) were due in less than one year and £593,544 (2016: £nil) were due after more than one year. The provision relates to future property costs of the 2nd floor at 265 Tottenham Court Road, W1T 7RQ, which has been vacated and will remain so until the end of the lease on 4th November 2019.

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

15 Financial instruments

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

	Group 2017 £'000	Group 2016 £'000
Financial assets		
Financial assets measured at amortised cost	11,235,779	13,076,928
Financial liabilities		
Financial liabilities measured at amortised cost	6,310,879	8,734,246

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 2017 *(continued)*

16 Deferred taxation

	At 1 January 2017 £	Over Provision Prior Year	Movement in the year £	At 31 December 2017 £
Decelerated capital allowances	34,459	(548)	22,213	56,124
Other short-term timing differences	9,749	(4,954)	(1,071)	3,724
	<u>44,208</u>	<u>(5,502)</u>	<u>21,142</u>	<u>59,848</u>

17 Share capital

	2017 Number	Authorised 2016 Number	2017 £	2016 £
'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		
	2017 Number	2016 Number	2017 £	2016 £
'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	35,342	38,617	353	386
'D' Ordinary issued equity of £1	600	600	600	600
	<u>496,525</u>	<u>499,800</u>	<u>5,559</u>	<u>5,592</u>

TMP (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

18 Commitments under operating leases

At 31 December 2017 the Group had minimum lease payments under non-cancellable operating leases set out as below:

Group	2017 £	2016 £
Not later than one year	974,547	924,168
Later than one year and not later than five years	851,733	1,840,867
Later than five years	20,000	40,000
	<u>1,846,280</u>	<u>2,805,035</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.

19 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 company was £1,051,535 (2016 - £1,049,944).

At the year end a balance of £30,000 (2016: £nil) was due to a director, Jonathan Porter. Interest of £434 (2016: £nil) was unpaid and un-accrued at the year end.

20 Entity with controlling interest in the Group

Graphite Capital Partners VI ("Graphite") owns 61% (2016 - 61%) of the company's ordinary shares.

21 Pension commitments

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

Contributions to the defined contribution scheme amounted to £327,119 (2016 - £384,374). At December 2017, contributions of £44,785 were outstanding to the scheme (2016 - £51,309).

22 Post balance sheet events

On 6 March 2018, TMP sold the Reynell division for consideration of £550k. Reynell's business activity relates to the placement of legal notices. Reynell's results are included within Talent Management in note 3 of these accounts.