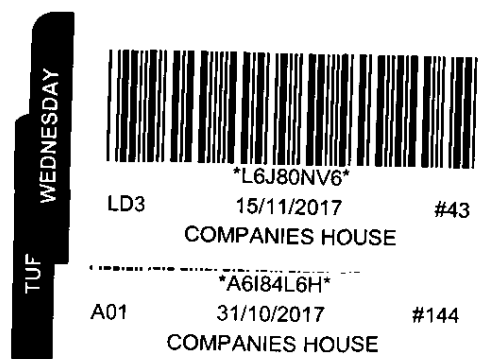


FiveTen Group Finance Limited

Directors' report and financial statements
for the year ended 31 December 2016

Registered number: 06314337



Contents

Strategic Report	1
Directors' Report	2
Profit and Loss Account	4
Balance Sheet	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7

Strategic Report

for the year ended 31 December 2016

The Directors present their strategic report for the year ended 31 December 2016.

Principal activity

The principal activity of FiveTen Group Finance Limited ('the company') is that of a financing company and holding company of subsidiaries whose activities are the specialist recruitment of people in the accounting and finance, legal and marketing sectors. No change in the business of the company or its subsidiaries is anticipated.

Business review

The company is a wholly owned subsidiary of FiveTen Group Holdings Limited ('the Group') whose Directors manage the entire Group including FiveTen Group Finance Limited.

The loss after tax for the year was £10,286,000 (2015 loss: £5,251,000). The net liabilities of the company at 31 December 2016 were £39,122,000 (2015: £28,836,000).

Principal risks

The principal risks to the Group's performance are increasing competition leading to pressure on margins, the resignation of established consultants who generate fees from clients through placing candidates, the lower productivity of new consultants hired to grow the business, the impact of lower demand for recruitment services arising from country-specific economic weakness and from economic cyclicalities and, in such circumstances, ongoing compliance with the Group's financial covenants. Additional risks include the impact on liquidity of funding growth in working capital in territories not covered by existing invoice discounting facilities, that growth is sufficiently strong to cause existing limits under the invoice discounting facilities to be exceeded, and that the Group's banks decide to reduce or withdraw ancillary facilities such as the invoice discounting facilities following the required notice period. The Directors closely monitor trends in KPIs such as performance versus budget and fee earner productivity, and are continuing to take appropriate actions in response to changing market conditions. The support of both the Group's banks and lead investor has provided the Group with the resources to continue to develop the Group's strategy.

Going concern

The Group's intentions over the next twelve months are to continuously support FiveTen Group Finance Limited and report as a going concern. The immediate parent company is FiveTen Group Holdings Limited. The net liabilities position is due to Group funding by unsecured loan note borrowings, the first not repayable until 2023.

By order of the Board


Michael Joyce
Director

322 High Holborn
London, WC1V 7PB
30 June 2017

Directors' Report

for the year ended 31 December 2016

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

Likely future developments

No change in the business of the company or its subsidiaries is anticipated.

Going concern

Please refer to the strategic report for details of going concern.

Dividends

The Directors do not recommend the payment of a dividend (2015: nil).

Political contributions

There were no political contributions made in the year (2015: nil).

Research and development activities

The Company has no research and development activities.

Directors

The Directors who held office during the year were as follows:

Nicholas Armstrong	
Mark Carriban	
Chris Herrmannsen	
Michael Joyce	(appointed 04/01/16)
Edmund Lazarus	
Olivier Morali	(resigned 25/05/16)

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Financial instruments

The Directors manage the Company's risks arising from financial instruments as part of the overall risk management approach to the Group of which FiveTen Group Holdings Limited is the holding company. The Group's operations expose it to a number of financial risks: liquidity risk, market risk (interest rate risk and price risk) and credit risk. The Group's overall risk management programme seeks to ensure sufficient liquidity is available to meet its foreseeable needs and to invest cash assets safely and profitably.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the group and parent company financial statements (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 prepared the financial statements in accordance with United Kingdom Accounting Standards,

Directors' Report

for the year ended 31 December 2016 continued

Directors' responsibility for the financial statements continued

comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board


Michael Joyce
Director

322 High Holborn
London, WC1V 7PB
30 June 2017

Profit and Loss Account

for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Administrative expenses	4	(826)	(2)
Total net interest payable and similar charges	5	(9,460)	(5,249)
Loss on ordinary activities before taxation		(10,286)	(5,251)
Tax on loss on ordinary activities	9	-	-
Loss for the financial year		(10,286)	(5,251)

The above results relate to the continuing operations of the company.

There are no recognised gains and losses other than for the loss for the year shown above therefore no separate statement of total comprehensive income has been presented.

There are no material differences between the loss on ordinary activities after taxation and the retained losses for the year stated above and their historical equivalents.

Balance Sheet

as at 31 December 2016

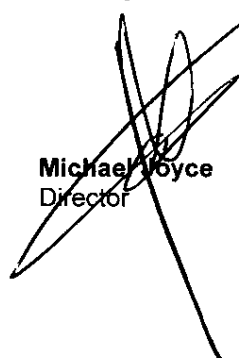
	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments in Group undertakings	10	89,885	29,515
Current assets			
Debtors	11	2	59,586
		2	59,586
Creditors: amounts falling due within one year	12	-	(681)
Net current assets		2	58,905
Total assets less current liabilities		89,887	88,420
Creditors: amounts falling due after one year	13	(129,009)	(117,256)
Net liabilities		(39,122)	(28,386)
Capital and reserves			
Called up share capital	14	215	215
Profit and loss account		(39,337)	(29,051)
Shareholders' deficit		(39,122)	(28,836)

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements on pages 4 to 14 were approved by the Board of Directors on 30 June 2017 and were signed on its behalf by:



Michael Joyce
Director

Statement of Changes in Equity

for the year ended 31 December 2016

	Called-up share capital £'000	Retained earnings £'000	Total Equity £'000
Balance as at 1 January 2015	215	(23,800)	(23,585)
Loss for the year	-	(5,251)	(5,251)
Total comprehensive expense for the year	-	(5,251)	(5,251)
Balance as at 31 December 2015	215	(29,051)	(28,836)
Balance as at 1 January 2016	215	(29,051)	(28,836)
Loss for the year	-	(10,286)	(10,286)
Total comprehensive expense for the year	-	(10,286)	(10,286)
Balance as at 31 December 2016	215	(39,337)	(39,122)

Notes to the financial statements

for the year ended 31 December 2016

1. General information

FiveTen Group Finance Limited ('the Company') is a holding company within a group of companies which provides specialist recruitment services into the accounting and finance, banking, marketing and legal sectors, in the UK, Ireland and Middle East.

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is 322 High Holborn, London WC1V 7PB.

2. Statement of compliance

The financial statements of FiveTen Group Finance Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3. Statement of significant accounting policies

Basis of preparation

The consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention.

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

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- (i) the Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it a qualifying entity and its ultimate parent company, FiveTen Group Holdings Limited, includes the company's cash flows in its own consolidated financial statements;
- (ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7

Going Concern

The Group's intentions over the next twelve months are to continuously support FiveTen Group Finance Limited and report as a going concern. The immediate and ultimate parent company is FiveTen Group Holdings Limited.

Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Notes to the Financial Statements continued

for the year ended 31 December 2016

3. Statement of significant accounting policies *continued*

Financial instruments *continued*

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss. Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is

deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivates, including interest rate swaps and foreign exchange contracts, are not basic financial instruments.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Interest bearing borrowings

Interest bearing bank loans, overdrafts and bonds are initially recorded at the value of the amount received, net of attributable transaction costs.

Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being charged to the profit and loss account over the period of the borrowing on an effective interest basis.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent it relates to items recognised in other comprehensive income or directly in equity.

Notes to the Financial Statements continued

for the year ended 31 December 2016

3. Statement of significant accounting policies *continued*

Taxation *continued*

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as statement in the financial statements. These timing differences arise from the inclusion of income and expenses in the tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Foreign currencies

(i) Functional and presentation currency

The Company's functional and presentation currency is pounds sterling.

(ii) Transactions and balances

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

Investments

Investments in subsidiary undertakings are stated at nominal value of shares issued and cost, less provisions for impairment.

4. Administrative expenses

Administrative expenses include £824,000 (2015: nil) for amounts written off regarding inter-company debt no longer receivable.

5. Total net interest payable and similar charges

	2016 £'000	2015 £'000
Intra-Group interest receivable	2,293	5,417
Other financing charges including interest on loan notes	(11,753)	(10,666)
Total net interest payable and similar charges	(9,460)	(5,251)

6. Operating loss

Audit fees for the company were paid by another member of the Group.

Notes to the Financial Statements

for the year ended 31 December 2016 continued

7. Employees

Other than the directors of the company, there were no employees in the year (2015: nil).

8. Directors' emoluments

The emoluments of the directors are paid either by a parent company or subsidiary which makes no recharge to the company. These directors are directors of a parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of the subsidiaries. Accordingly, there are no emoluments in respect of the directors. Their emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of a parent company.

9. Tax on loss on ordinary activities

(a) Analysis of charge for the year:

The tax (credit)/charge based on the loss for the year comprises:

	2016 £'000	2015 £'000
Current tax – UK corporation tax	-	-
Adjustments in respect of prior periods	-	-
Tax charge on loss on ordinary activities	-	-

(b) The tax assessed for the year is higher (2015: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2016 of 20.25% (2015:20.25%). The differences are explained below:

	2016 £'000	2015 £'000
Loss on ordinary activities before taxation	(10,286)	(5,251)
Tax at 20.00% (2015: 20.25%)	(2,057)	(1,063)
Effects of:		
Expenses not deductible for tax purposes	2,515	2,159
Group relief not paid for	(458)	(1,096)
Current tax charge for the year	-	-

Notes to the Financial Statements

for the year ended 31 December 2016 continued

10. Investments in Group undertakings

	2016 £'000	2015 £'000
Investments in subsidiary undertakings	89,885	29,515
	£'000	£'000
Cost and nominal value of shares issued		
At 1 January 2016	29,515	29,515
Additions	60,370	-
At 31 December 2016	89,885	29,515

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The company's subsidiary undertakings at the year-end are detailed below.

Name	Equity owned by the Company	Class of shares	Direct/ Indirect holding	Country of incorporation	Principal activity
FiveTen Group Limited	100%	Ordinary	100% Direct	England	Holding
FiveTen Acquisition Limited	100%	Ordinary	100% Indirect	England	Holding
Greythorn Holdings Limited	100%	Ordinary	100% Indirect	England	Holding
Greythorn Limited	100%	Ordinary	100% Indirect	England	Recruitment
FiveTen Recrutamento Ltda	100%	Ordinary	100% Indirect	Brazil	Recruitment
Marks Sattin (UK) Limited	100%	Ordinary	100% Indirect	England	Recruitment
WH Marks Sattin (Hong Kong) Ltd	100%	Ordinary	100% Indirect	Hong Kong	Recruitment
Laurence Simons International Holdings Limited	100%	Ordinary	100% Indirect	England	Holding
Laurence Simons International Group Limited	100%	Ordinary	100% Indirect	England	Recruitment
Laurence Simons International Recruitment Limited	100%	Ordinary	100% Indirect	England	Recruitment
Laurence Simons (India) Private Limited	100%	Ordinary	100% Indirect	India	Recruitment
Laurence Simons International Inc	100%	Ordinary	100% Indirect	USA	Dormant
Laurence Simons International Pty Limited	100%	Ordinary	100% Indirect	Australia	Dormant
EMR Search and Selection Limited	100%	Ordinary	100% Indirect	England	Recruitment
CJSC FiveTen Antal	100%	Ordinary	100% Indirect	Russia	Recruitment
Cresco Limited	100%	Ordinary	100% Indirect	Ireland	Holding
FiveTen GmbH	100%	Ordinary	100% Indirect	Germany	Dormant
EMR Group Limited	100%	Ordinary	100% Indirect	UK	Dormant
Ortus Interim Solutions Limited	100%	Ordinary	100% Indirect	UK	Dormant
Marks Sattin Limited	100%	Ordinary	100% Indirect	UK	Dormant
FiveTen CIS Limited	100%	Ordinary	100% Indirect	UK	Dormant
Companies sold to Vaco GT Inc, in November 2016 (2015: Held full year 100% Indirect)					
Greythorn Inc	100%	Ordinary	100% Indirect	USA	Recruitment

A full list of the company's entities as at 31 December 2016 is available for inspection at the company's registered office.

With the exception of the holding and dormant companies, all the above entities are engaged in recruitment activities. All the above entities are included in the Group consolidated financial statements.

As described in FiveTen Group Holding Limited consolidated accounts, the Group sold its holding in Greythorn Inc in November 2016.

Notes to the Financial Statements

for the year ended 31 December 2016 continued

11. Debtors

	2016 £'000	2015 £'000
Amounts falling due within one year		
Amounts owed by subsidiary undertakings	-	59,585
Other debtors	2	1
	2	59,586

The amounts owed by subsidiary undertakings are a balance of nil (2015: £59,585,000 owing by FiveTen Acquisition Limited). Interest accrues on the principal amount outstanding under this intercompany loan at a rate of 10% per annum and is compounded monthly. The principal and interest are repayable on demand.

12. Creditors – amounts falling due within one year

	2016 £'000	2015 £'000
Other creditors	-	36
Amounts owed to subsidiary undertakings	-	639
		675

Amounts due to Group undertakings are unsecured, interest free and repayable on demand.

13. Creditors – amounts falling due after one year

	2016 £'000	2015 £'000
Loan notes	58,737	58,737
Accrued interest on loan notes and other charges	70,272	58,519
	129,009	117,256

All amounts included above mature in more than five years, as described below.

Loan notes

At 1 January 2015, the loan notes comprised:

- £43.2m principal of fixed rate unsecured loan notes due 21 March 2023. These loan notes and associated PIK notes, if and when issued, are listed on the Official List of the Channel Islands Stock Exchange;
- £1.2m principal of fixed rate unsecured loan notes due 7 November 2023;
- £8.8m principal of fixed rate unsecured loan notes due 23 December 2023; and
- £5.5m principal of fixed rate unsecured loan notes due 6 August 2028.

On 28th November 2014, a subscription agreement was entered into under which Bregal Capital LLP agreed to subscribe up to £2.0m of unsecured loan notes in the event of certain liquidity conditions arising. At 31 December 2015, the £2.0m of unsecured loans notes were unsubscribed. These unscribed unsecured loan notes were valid until 31 December 2016.

Notes to the Financial Statements

for the year ended 31 December 2016 continued

13. Creditors – amounts falling due after one year *continued*

All the loan notes are unsecured and at all times rank pari passu without any preference amongst themselves. Interest accrues at a 10% annual compound interest rate over the year. Interest is payable on the redemption of the loan notes, however it may be satisfied in full by the issue of Payment in Kind ('PIK') Notes at the election of any loan note holder at any time over the life of the instrument.

The loan notes may be fully or partially redeemed prior to the due date at the option of the Group. The loan note holders cannot require redemption of the loan notes together with any accrued but unpaid interest unless certain events, for example the occurrence of a material default under the Group's banking facility agreement, occur. At the year end, the Group was not anticipating the early full or partial redemption of these loan note instruments.

The loan notes are held by funds controlled by Bregal Capital LLP, a major shareholder of the Company and Richard Mead, a former director of the Company.

The loan notes form part of the borrowings of FiveTen Group Holdings Limited and its subsidiaries ("the Group"), which were used to finance the Group's activities.

13. Called up share capital

	2016 £'000	2015 £'000
Authorised		
380,000,000 (2015: 380,000,000) Ordinary £0.10 shares	38,000	38,000
	38,000	38,000
Allotted, called up and fully paid		
2,151,440 (2015: 2,151,440) Ordinary £0.10 shares	215	215
	215	215

Rights attaching to the shares

Dividend rights

Subject to the repayment of all outstanding amounts, including the loan notes held by FiveTen Group Finance Limited together with accrued interest, and the approval of the directors representing Bregal Capital LLP, the Company will distribute profits to shareholders in respect of their holdings pari passu and pro rata to the number of shares held by each of them as if there were only one class of share.

Capital

In September 2008 the 'A', 'B', and 'C' Ordinary shares were all redesignated as being just 'Ordinary' shares. As a consequence the authorised share capital is 380,000,000 Ordinary shares of £0.10 each and the issued share capital is 2,151,440 Ordinary shares of £0.10 each.

On the return of assets, on a reduction of share capital or otherwise, the surplus assets shall be distributed amongst the shareholders according to the amount paid up for each share.

Voting

Each shareholder of the Company is entitled to receive notice, attend and vote at general meetings of the Company. Each shareholder who is present in person or by proxy, shall have one vote for each ordinary share held by him subject to, whilst Bregal Capital LLP still has a controlling interest in the Group headed by FiveTen Group Holdings Limited, should any Bregal ordinary shareholder be present, its representative shall have a number of votes that equals 75% of the total number of votes cast in respect of any resolution.

Notes to the Financial Statements

for the year ended 31 December 2016 continued

Ultimate and immediate controlling parties

The entire share capital of the company is owned by FiveTen Group Holdings Limited. At year end, the directors considered FiveTen Group Holdings Limited to be the ultimate parent undertaking and controlling company. FiveTen Group Holdings Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2016. Copies of the consolidated financial statements of FiveTen Group Holdings Limited can be obtained from the Company's registered office at 322 High Holborn, London, WC1V 7PB.

The majority shareholders of FiveTen Group Holdings Limited are funds controlled by Bregal Capital LLP and accordingly the directors consider Bregal Capital LLP to be the ultimate controlling party.