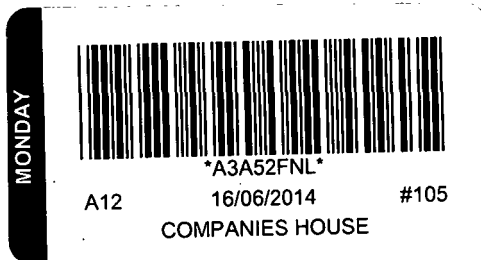


Company Registration No. 02073305

Alexander Mann Solutions Limited

Report and Financial Statements

31 December 2013



Alexander Mann Solutions Limited

Report and financial statements 2013

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Alexander Mann Solutions Limited

Report and financial statements 2013

Officers and professional advisers

Directors

R Blair
D Heath
R Timmins

Registered Office

3 Waterhouse Square
138-142 Holborn
London
EC1N 2SW

Bankers

HSBC Bank Limited
8 Canada Square
London
E14 5HP

ING Luxembourg SA
52 route d'Esch
L-2965 Luxembourg

Credit Suisse AG
Eleven Madison Avenue
New York, NY10010
USA

Solicitors

Kirkland and Ellis
30 St. Mary Axe
London
EC3 8AF

Auditor

Deloitte LLP
Chartered Accountants & Statutory Auditor
London, UK

Alexander Mann Solutions Limited

Directors' report

The Directors of Alexander Mann Solutions Limited ('the Company') present their annual report with the financial statements and independent auditor's report for year ended 31 December 2013.

Principal activities

The principal activity of the Company is the provision of Talent Acquisition and Talent Management Services usually under long-term contractual arrangements.

Change of ownership

On 20 December 2013, New Mountain Capital LLC, together with AMS Management, acquired 100% of the share capital of Newincco 780 Limited using a new company AMS Bidco Limited.

The Directors consider AMS Topco Limited, a company incorporated in the Cayman Islands, registered as a foreign company in England and Wales and tax resident in Great Britain to be the ultimate controlling party. The Directors consider that New Mountain Capital's knowledge of and network in the USA, together with their sector expertise will accelerate the Company's growth.

Business review

Profit for the year after tax was £11,538,000 (2012: £6,933,000).

Future developments

The Company will continue to expand by developing present client relationships with further geographical growth and breadth of service offering, as well as by working with new clients.

Financial risk management objectives and policies

The financial risk management objectives and policies are discussed in detail in the Strategic Report.

Dividend

The Directors do not recommend the payment of a dividend on the ordinary shares or the 'A' ordinary shares (2012: £nil).

Directors

The current directors are listed on page 1. There were no changes in the year and there have been no changes since the end of the year.

Going concern

In accordance with their responsibilities as directors, the Directors have considered the appropriateness of the going concern basis for the preparation of the financial statements and they continue to adopt the going concern basis in preparing the financial statements.

Refer to note 1 to the financial statements for detailed considerations made by the directors.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, the Company intranet and the annual appraisal process. In addition employees are eligible for an annual bonus related to the overall profitability of the company and their individual performance.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Alexander Mann Solutions Limited

Directors' report (continued)

Charitable and political contributions

During the year the Company made charitable donations of £9,213 (2012: £7,224). The Company made no political donations in either year.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted with Section 418 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'R Timmins', with a long horizontal flourish extending to the right.

R Timmins

Director

19 May 2014

Alexander Mann Solutions Limited

Strategic report

Review of the results

In 2013 the Company generated earnings before exceptional items, interest, taxation, depreciation and amortisation (EBITDA) of £19.6m for the year (2012: £15.5m).

The key financial metrics used by the group to monitor trading performance are NFI (net fee income), operating profit (adjusted), profit before tax and EBITDA.

The significant improvement in these trading metrics is detailed below with the Company achieving a marked improvement in profitability due to ongoing cost control measures and maturing of contracts won:

	2013 £'000	Increase % '13 vs '12	2012 £'000	Increase % '12 vs '11	2011 £'000
Net fee income	76,272	10.5%	69,054	(1.6%)	70,204
Operating profit (adjusted)	17,851	38.0%	12,931	37.8%	9,385
Profit before tax	14,078	49.4%	9,420	58.0%	5,963
EBITDA	19,640	26.3%	15,545	26.0%	12,338

Refer to note 18 for a reconciliation of the KPI's which are non-GAAP measures to the statutory results.

The Company generated an adjusted operating profit of £17,851,000 for the year compared to £12,931,000 for the year ended 31 December 2012.

The Company incurred £2,917,000 of exceptional costs predominantly associated with cost management measures and costs associated with the sale of Newincco 780 Limited to AMS Bidco Limited (2012: £2,478,000 associated with cost management measures, and option to purchase costs written off).

Finance charges for the year were £ 856,000 (2012: £1,033,000). Profit before tax for the Company was £14,078,000 (2012: profit £9,420,000).

The improvement in the trading environment has resulted in the Company ending the year with net assets of £33,513,000 (2012: £21,975,000) and the key performance indicators, adjusted operating profit and net assets continue to show strong improvement year on year.

2013 saw continued growth with turnover rising 18.6% to £556m and the Company's NFI rising 10.5% to £76.3m.

Turnover can give a distorted picture of the volume of business the Company is undertaking as in our Contingent Workforce Solutions we pay our client's contractors through our payroll systems and then charge that to our clients. There is therefore a large 'pass through' in both turnover and cost of sales. As a result the Directors focus on NFI rather than turnover as a key performance indicator for the Company. The strong growth in net fee income reflected the success of the Company's strategy to diversify into different sectors whilst extending its offering into a broader range of services. This resulted in significant wins in the financial services sector. In addition to this, the new client contract wins in 2012 matured and the full year impact of these contracts led to an increase in activity.

As a result the Company continued to grow its net fee income, EBITDA and adjusted operating profit.

The Company is continuing to focus on delivering a more scalable and flexible cost base to be able to respond more rapidly to changes in clients' volumes. This solution is based heavily on our shared service centre operation and results in a more modular and specialised set of activities to support our clients' needs.

The Company is primarily funded through external debt provided by third party banks and funds managed by New Mountain Capital LLC.

Alexander Mann Solutions Limited

Strategic report (continued)

Strategic developments during the year

During the year, in response to client demand, the Company continued to invest and expand its front end professional services capability in technology and operations consultancy, resource communications, talent and selection and assessment thereby further differentiating the comprehensive solutions provided to clients.

As part of a review of the Company's operating model, the Company has continued to focus on realigning its cost base and operating structure to lower the cost of delivery, improve the quality of delivery and leverage the shared service centre capability provided by its onshore and near shore centres.

This is the fifth year in which the Company has been given the prestigious recognition of Overall Global RPO Leader by HRO Today, a recognised industry analyst.

Principal risks and uncertainties

The Company's activities expose it to a number of financial risks including cash flow risk, credit risk, liquidity risk and interest rate risk. With the exception of the Polish zloty forward extra purchases detailed below, the Company does not use derivative financial instruments. Another company in the group, AMS Bidco Limited, has entered into derivatives contracts to hedge part of the foreign currency risk associated with a US\$ 160million senior term loan that was drawn down during the year. The derivatives comprise a cross-currency swap, a 1% GBP interest rate floor option and a 1% US\$ floor option. These derivatives provide certainty over 70% of the senior loan foreign currency exposure. In addition, subsequent to the financial year end, AMS Bidco Limited has entered into derivatives to cap its interest rate exposure at USD and GBP LIBOR + 4%.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company aims wherever possible to match income and costs by currency, and maintains foreign currency denominated bank accounts so as to minimise the exposure to converting currencies into sterling. The Company also draws funding in foreign currencies so as to minimise the foreign exchange exposure of funding the working capital requirements of its overseas subsidiaries. In addition, in view of the increasing cost base denominated in Polish zloty which is typically funded by the Company, the Company has entered into participating forward contracts which commit the Company to purchasing Polish zloty at a pre-determined rate each month. This provides certainty about the Polish zloty exchange rate for approximately 50% of the Company's forecast Polish zloty funding requirements.

Credit risk

The Company is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. The Company mitigates this risk by ensuring that its counterparties do not represent excessive credit risk prior to the agreement of any transaction.

The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers, who tend to be global, blue chip corporations with high credit ratings. Exposure to counterparties is reviewed on a regular basis to avoid any excessive reliance on a single counterparty.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company is a party to a £15 million Receivables Financing facility with HSBC bank and ING bank.

The directors monitor compliance with financial covenants related to this facility agreement on an ongoing basis.

Alexander Mann Solutions Limited

Strategic report (continued)

Financial risk management objectives and policies (continued)

Interest rate risk

The Receivables Financing Agreement bears interest at HSBC Bank plc's bank base rate plus margin and is therefore exposed to interest rate risk. The Company has not put in place any hedging arrangements in relation to movements in base rate.

Key performance indicators

The Group monitors a number of operational, financial and strategic indicators to ensure it is progressing against plan and adequately addressing any risks. As well as the financial metrics mentioned previously these include, but are not limited to, cash flow, hiring source mix and working capital.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'R K T' followed by a wavy line.

R Timmins

Director

19 May 2014

Alexander Mann Solutions Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of Alexander Mann Solutions Limited

We have audited the financial statements of Alexander Mann Solutions Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 21. 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 auditor

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. 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its 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.

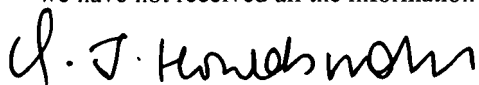
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Kate J Houldsworth FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
19 May 2014

Alexander Mann Solutions Limited

Profit and loss account Year ended 31 December 2013

		2013			2012		
	Notes	Adjusted results £'000	Exceptional items £'000	Statutory results £'000	Adjusted results £'000	Exceptional items £'000	Statutory results £'000
Turnover		555,969	-	555,969	468,956	-	468,956
Cost of sales		(479,697)	-	(479,697)	(399,902)	-	(399,902)
Gross profit		76,272	-	76,272	69,054	-	69,054
Administrative expenses	5, 6	(58,421)	(2,917)	(61,338)	(56,123)	(2,478)	(58,601)
Operating profit/(loss)		17,851	(2,917)	14,934	12,931	(2,478)	10,453
Finance charges (net)	4			(856)			(1,033)
Profit on ordinary activities before tax	5			14,078			9,420
Tax on profit on ordinary activities	7			(2,540)			(2,487)
Profit on ordinary activities after tax				11,538			6,933

All of the results presented above derive from continuing operations. Exceptional items are presented in note 6.

There have been no recognised gains or losses attributable to the shareholders other than disclosed in the profit and loss account for the current year and preceding financial year and accordingly, no separate statement of total recognised gains and losses is presented

Alexander Mann Solutions Limited

Balance sheet 31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	8	1,005	1,321
Investments	9	234	223
		<hr/> 1,239	<hr/> 1,544
Current assets			
Debtors	10	124,668	95,916
Cash at bank and in hand		17,972	1
		<hr/> 142,640	<hr/> 95,917
Creditors: Amounts falling due within one year	11	(110,146)	(75,266)
		<hr/>	<hr/>
Net current assets		32,494	20,651
Total assets less current liabilities		33,733	22,195
Provision for liabilities	12	(220)	(220)
		<hr/>	<hr/>
Net assets		33,513	21,975
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	90	90
Profit and loss account	15	33,423	21,885
		<hr/>	<hr/>
Total shareholder's funds	16	33,513	21,975
		<hr/>	<hr/>

The financial statements of Alexander Mann Solutions Limited, registered number 02073305, were approved by the board of directors and authorised for issue on 19 May 2014.

Signed on behalf of the board of directors



R Timmins
Director

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year.

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The principal accounting policies adopted are described below and have been applied consistently throughout the year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Exceptional items

Exceptional items as disclosed on the face of the profit and loss account and in note 6, are items which due to their size and nature have been classified separately. Exceptional items are typically costs associated with restructuring and reorganising the Company's activities including redundancies, property rationalisations and costs associated with refinancing activities.

Adjusted results

Management believe that the adjusted results provide additional useful information on the underlying trading performance. This measure is also used for internal performance analysis. The term "adjusted" is not defined under UK GAAP and may not therefore be comparable with similarly titled profit measures reported by other companies. It is not intended as a substitute for, or superior to UK GAAP measurements of profit. The adjustments made are in respect of exceptional items. These items consist primarily of impairment charges against fixed asset investments, restructuring and reorganisation costs incurred by the Company as a result of reorganising and integrating acquired businesses, onerous contract provisions, refinancing costs and costs incurred in the sale of the business.

Cash flows

The Company has taken advantage of the exemption in Financial Reporting Standard 1 "Cash Flow Statements" from the requirement to produce a cash flow statement because its ultimate parent company, AMS Topco Limited, which prepares publicly available consolidated financial statements, in which the results of Alexander Mann Solutions Limited are included, include a cash flow statement. See note 20 for details of the ultimate parent company.

Consolidation

Consolidated financial statements have not been prepared because the Company's results are consolidated in the publicly available accounts of Alexander Mann Group Limited, a company incorporated in Great Britain, AMS Midco Limited, a company incorporated in Great Britain and AMS Topco Limited, a company incorporated in Cayman Islands. Accordingly, these financial statements represent information about the Company as an individual undertaking and not about the group.

Related party transactions

The Company has taken advantage of the exemption in FRS 8 "Related Party Transactions" from disclosing transactions with other 100% owned subsidiaries of the group headed by AMS Midco Limited on the basis that it is a wholly owned subsidiary of AMS Midco Limited, a company incorporated in Great Britain.

Financing

On 20 December 2013, the share capital of Newincco 780 Limited was sold to AMS Bidco Limited and as part of this transaction all of the existing bank debt was repaid in full. AMS Bidco Limited and its holding company, AMS Midco Limited, partially funded the acquisition of Newincco 780 Limited with a US\$ denominated senior term loan of US\$ 160 million. In addition a US\$ 40million revolving loan facility and a £15 million invoice discounting facility were secured to meet the working capital requirements of the Group.

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies (continued)

Financing (continued)

At 31 December 2013, these facilities were drawn and had expiry dates as follows:

	Facility £'000	Drawn £'000	Expiry Date
Invoice discounting facility	15,000	843	20 December 2018
Revolving loan facility (US\$40 million)	24,256	15,000	20 December 2019
Senior term loan (US\$160 million)	97,975	97,975	20 December 2019
Totals	137,231	113,818	

The above facilities are subject to compliance with a number of financial covenants, a breach of which may have an impact on the maturity dates of the above facilities.

Alexander Mann Solutions Limited has access to the invoice discounting and revolving loan facilities and the amounts drawn at 31 December 2013 for this company were £677,000 under the Invoice Discounting Facility and £15,000,000 under the Revolving Loan Facility.

Going concern

The Board has reviewed the Company's and the Group's forecasts for the financial year ending 31 December 2014 and its forecast for the six months ending 30 June 2015. These forecasts, which take into account the Board's future expectations of the Company's and Group's performance indicate that there is sufficient headroom within the bank facilities for the Company and Group to continue to operate within those facilities and to comply with the financial covenants. The directors considered factors likely to affect future development, performance and financial position, including cash flows, liquidity position and borrowing facilities and the risks and uncertainties relating to business activities in coming to this conclusion.

The directors believe that the Company and Group are adequately placed to manage their business risks successfully.

On the basis of the Company's and Group's forecasts and after making due enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	Four years straight line basis
Plant and machinery	Four years straight line basis
Computer equipment	Three years straight line basis

Residual value is calculated on prices prevailing at the date of acquisition, with review at each year end and adjustment if appropriate.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies (continued)

Bid, transformation and implementation costs on Recruitment Process Outsourcing contracts

In accordance with 'UITF 34: Pre-contract costs', costs are not recognised as an asset unless it is virtually certain that a contract will be obtained and the contract is expected to result in future net cash inflows with a present value not less than the amounts recognised as an asset.

Costs of implementation projects, when not covered by implementation fees, are written off on a straight-line basis over the period commencing with service delivery to the client and ending at the earlier of contract end date or point of earliest possible termination at will by the client. Costs carried forward are disclosed as "capitalised contract implementation costs" within debtors due within one year.

Taxation

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, using rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Turnover and segmental information

Turnover represents the sales value of services provided to outside customers in the normal course of business, net of VAT and other sales-related taxes, together with fees and commissions earned in respect of gross revenue. The company operates one class of business, that of recruitment business process outsourcing and executive search.

Revenue from contract sales is recognised in line with the service delivered by the contractor to the extent that the company gains the right to consideration over the resulting revenue.

Permanent placements are billed on the earlier of start date or offer date depending on the terms of the contractual agreement with the client.

Turnover, pre-tax profit and net assets all relate materially to the United Kingdom.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Pension costs

Pension costs relate to defined contribution schemes. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies (continued)

Invoice discounting

Finance and transaction costs related to invoice discounting are recognised in the profit and loss account as incurred. Costs associated with arranging invoice discounting facilities are deferred and recognised in the profit and loss account over the term of the facility.

2. Directors' emoluments

	2013 £'000	2012 £'000
Directors' remuneration		
Emoluments	860	887
Pension contributions	56	55
	<u>916</u>	<u>942</u>

The number of directors who were members of pension schemes was 3 (2012: 3).

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2013 £'000	2012 £'000
Emoluments	362	308
Contributions to personal pension scheme	19	19
	<u>381</u>	<u>327</u>

3. Staff costs

	2013 No.	2012 No.
Average number of persons employed (including directors)		
Sales	607	618
Administration	136	135
	<u>743</u>	<u>753</u>
Staff costs during the year (including directors)		
	£'000	£'000
Wages and salaries	36,563	35,489
Social security costs	3,632	3,649
Pension costs	893	863
	<u>41,088</u>	<u>40,001</u>

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

4. Finance charges (net)

	2013 £'000	2012 £'000
Investment income		
Interest receivable and similar income	12	-
Interest payable and similar charges		
Bank loans and overdrafts	88	100
Invoice factoring charges	771	881
Other interest payable	9	52
	868	1,033
Investment income	12	-
Less: interest payable and similar charges	(868)	(1,033)
Finance charges (net)	(856)	(1,033)

5. Profit on ordinary activities before taxation

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation is after charging:		
Depreciation and amortisation		
- amortisation of capitalised contract implementation costs (note 10)	973	1,733
- owned tangible fixed assets (note 8)	816	881
Operating lease rentals		
- Property	268	278
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	72	70
Fees payable to the company's auditor for other services:		
- Tax compliance services	23	28
- Covenant compliance services	8	14
- Contract review services	-	20
- Other assurance services	10	-

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

6. Exceptional items within administrative expenses

	2013 £'000	2012 £'000
Redundancy and restructuring costs	1,841	2,109
Costs arising from the sale of Newincco 780 Limited	484	-
Costs arising from refinancing activities	592	-
Option to purchase costs written off	-	369
	<u>2,917</u>	<u>2,478</u>

Redundancy and restructuring costs

During the year the Company incurred external consultancy fees in connection with identification of potential operational cost savings arising from strategic reorganisation of the business. In addition, the Company incurred staff reorganisation and redundancy costs associated with the matching of staff resources and requirements in the Company.

Costs arising from the sale of Newincco 780 Limited

In preparation for the sale of Newincco 780 Limited and its subsidiaries, the Company incurred additional costs in respect insurance and professional advisors fees. Employment costs of staff dedicated to the sale have also been included.

Costs arising from refinancing activities

During the year, the Company incurred costs in respect of refinancing activities, including credit rating fees, legal fees in obtaining new finance, and the accelerated write off of costs incurred when the previous banking arrangements were put in place.

Option to purchase costs written off

In the prior financial year, the Company wrote off previously deferred costs associated with the option to purchase an overseas entity.

The effects of the exceptional items reported within administrative expenses on the amounts charged to the profit and loss account for taxation were:

	2013 £'000	2012 £'000
Redundancy and restructuring costs	(428)	(516)
Costs arising from the sale of Newincco 780 Limited	(108)	-
Costs arising from refinancing activities	(138)	-
Option to purchase costs written off	-	-
	<u>(674)</u>	<u>(516)</u>

Decrease in tax charge to profit and loss account

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

7. Tax on profit on ordinary activities

	2013 £'000	2012 £'000
UK corporation tax at 23.25% (2012: 24.5%)	1,023	527
Amounts payable to fellow group undertakings in respect of losses surrendered	1,594	1,946
	<u>2,617</u>	<u>2,473</u>
Adjustments to prior years' tax provisions		
- UK corporation tax	(228)	8
- Amounts receivable from fellow group undertakings in respect of losses surrendered	7	(35)
	<u>2,396</u>	<u>2,446</u>
Total current tax	2,396	2,446
Deferred tax charge (note 13)	144	41
	<u>2,540</u>	<u>2,487</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	14,078	9,420
Tax on profit on ordinary activities at standard UK corporation tax rate of 23.25% (2012: 24.5%)	3,273	2,308
Effects of:		
Disallowed expenses in excess of non-taxable income	36	94
Imputation of costs from fellow group undertaking	(141)	-
Allowance for costs charged to balance sheet	(531)	-
Depreciation in excess of capital allowances	21	73
Other timing differences	(41)	(2)
Adjustment in respect of prior years	(221)	(27)
	<u>2,396</u>	<u>2,446</u>
Total current tax charge	2,396	2,446

Following the 2012 Budget Statement, the main rate reduced from 26% directly to 24% with effect from 1 April 2012. Thereafter, the main rate of UK corporation tax reduced by 1% to 23% on 1 April 2013 and will reduce by a further 2% to 21% on 1 April 2014. It is expected that this graduated fall in the main corporation tax rate will result in a reduction of the company's deferred tax asset and also a reduction in the Company's future current tax charge.

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

8. Tangible fixed assets

	Computer equipment	Fixtures and fittings	Plant & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2013	4,409	1,181	2	5,592
Additions	412	88	-	500
Disposals	-	-	-	-
At 31 December 2013	4,821	1,269	2	6,092
Accumulated depreciation				
At 1 January 2013	3,404	866	1	4,271
Charge for the year	696	119	1	816
Disposals	-	-	-	-
At 31 December 2013	4,100	985	2	5,087
Net book value				
At 31 December 2013	721	284	-	1,005
At 31 December 2012	1,005	315	1	1,321

Included in fixtures and fittings is £180,000 (2012: £180,000) in respect of future rectification costs associated with leasehold premises. The net book value of these assets at 31 December 2013 was £92,000 (2012: £135,000) (note 12).

9. Fixed asset investments

	Subsidiaries £'000
Cost	
At 1 January 2013	2,661
Additions in the year	11
At 31 December 2013	2,672
Impairment	
At 1 January and 31 December 2013	2,438
Net book value	
At 31 December 2013	234
At 31 December 2012	223

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

9. Fixed assets investments (continued)

The company has investments in the following subsidiaries:

Subsidiary undertakings	Country of Incorporation	Status	Proportion of ordinary shares held
AMG Asia Pacific Pty Ltd	Australia	Trading	14%
Alexander Mann Solutions GmbH	Germany	Trading	100%
Alexander Mann Solutions APS	Denmark	Trading	100%
Alexander Mann Solutions AB	Sweden	Trading	100%
Alexander Mann Solutions GmbH	Switzerland	Trading	100%
Alexander Mann Solutions S.r.l	Italy	Trading	100%
Alexander Mann Solutions SARL	France	Trading	100%
Alexander Mann Solutions Poland Sp. z.o.o.	Poland	Trading	100%
Alexander Mann Solutions BVBA	Belgium	Trading	100%
Alexander Mann Solutions s.r.o.	Czech Republic	Trading	100%
Alexander Mann Solutions B.V.	Holland	Trading	100%
AMS Recruitment Process Outsourcing, S.L	Spain	Trading	100%
Alexander Mann Solutions KFT	Hungary	Trading	100%
Alexander Mann Solutions Corporation	USA	Trading	100%
Alexander Mann BPO Solutions (Singapore) Pte. Ltd	Singapore	Trading	100%
Alexander Mann Solutions K. K.	Japan	Trading	100%
Alexander Mann Solutions (HK) Limited	Hong Kong	Trading	100%
Alexander Mann Solutions Private Limited	India	Trading	100%
Alexander Mann Solutions (Shanghai) Enterprise Management Consulting Ltd	China	Trading	100%
Alexander Mann Solutions Inc	Canada	Trading	100%
Capital Resource Consulting Group Limited	United Kingdom	Dormant	100%
Capital Resource Consulting Limited	United Kingdom	Dormant	100%
Interim Capital Limited	United Kingdom	Dormant	100%
Capital Resource Consulting GMBH	Germany	Dormant	100%
Alexander Mann Outsourcing Solutions Limited	Ireland	Trading	100%
Capital Resource Consulting Singapore Pte. Ltd	Singapore	Dormant	100%
Alexander Mann BPO (HK) Limited	Hong Kong	Trading	100%
Alexander Mann Solutions SA (Costa Rica)	Costa Rica	Trading	50%
AMS Processo De Recrutamento E Terceirização Ltda	Brazil	Trading	100%
Alexander Mann Solutions S. De R.L. De C.V.	Mexico	Trading	100%
Alexander Mann Solutions AS	Norway	Trading	100%

Alexander Mann Solutions CA (Costa Rica) is 50% owned by a fellow group company Alexander Mann Associates Limited. Alexander Mann Group Asia Pacific Pty Limited is 86% owned by Alexander Mann Associates Limited.

The principal activity of all the trading subsidiary undertakings is that of Talent Acquisition and Talent Management Services, usually under long-term contracts.

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

10. Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year		
Trade debtors	57,654	38,081
Amounts owed by group undertakings	45,864	43,950
Other debtors	261	491
Corporation tax recoverable	126	-
Deferred tax asset (note 13)	177	321
Accrued income	15,938	10,211
Prepayments	1,629	1,529
Capitalised contract implementation costs	3,019	1,333
	<u>124,668</u>	<u>95,916</u>

All amounts shown under debtors fall due for payment within one year.

The Company is party to an invoice discounting facility, under the terms of which any funds advanced to the company by the discounting house are secured against a pre-agreed basket of the company's trade debtors.

Capitalised contract implementation costs of £3,019,000 (2012: £1,333,000) are in respect of new Recruitment Process Outsourcing contracts. These are capitalised and written off in accordance with the Company's accounting policy. Contract implementation costs capitalised in the year were £2,659,000 (2012: £539,000), and amounts amortised were £973,000 (2012: £1,733,000).

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

11. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Bank loans and overdrafts	15,000	-
Amounts owed to discounting house	677	1,675
Trade creditors	1,771	3,625
Amounts owed to parent undertaking	3,690	664
Amounts owed to group undertakings	4,719	12,674
Corporation tax	-	254
Other taxation and social security	9,837	4,467
Other creditors	1,320	844
Accruals	71,100	48,580
Deferred income	2,032	2,483
	<u>110,146</u>	<u>75,266</u>

Bank loans and overdrafts are secured by a floating charge over all assets of the group headed by AMS Midco Limited.

Amounts owed to discounting house are secured over eligible trade debtors of the Company.

Amounts owed to parent and group undertakings are non-interest bearing and are repayable on demand.

12. Provision for liabilities and charges

	Provision against dilapidation £'000
At 1 January 2013 and 31 December 2013	<u>220</u>

The Company has provided against the cost of rectification work required to restore leasehold premises to the same condition as at the inception of the lease.

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

13. Deferred taxation

	£'000	
At 1 January 2013	321	
Charged to profit and loss account	(144)	
	<u>177</u>	
At 31 December 2013	<u>177</u>	
	2013	2012
	£'000	£'000
The amounts of deferred taxation provided at 23% (2012: 23%) are:		
- Depreciation in excess of capital allowances	177	277
- Other timing differences	-	44
	<u>177</u>	<u>321</u>

The deferred tax asset has been recognised on the basis that it is considered more likely than not that there will be suitable taxable profits in the entity from which the future reversal of the underlying timing differences can be deducted. There are no unprovided deferred tax assets.

14. Called up share capital

	2013 £'000	2012 £'000
Authorised		
100,000 ordinary shares of £1 each	100	100
100 'A' ordinary shares of 1p each	-	-
	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
90,000 ordinary shares of £1 each	90	90
100 'A' ordinary shares of 1p each	-	-
	<u>90</u>	<u>90</u>

The 'A' ordinary shares rank pari passu in all respects with the ordinary shares of £1 except that the holders have the following rights:

- for every 'A' ordinary share held by a member, that member shall have 10,000,000 votes at any meeting of the company on a poll;
- each 'A' ordinary share shall be entitled to a dividend of 10,000,000 times the value of any dividend on each of the ordinary shares; and
- on a winding-up of the company each 'A' ordinary share will be entitled to 10,000,000 times the value paid on each ordinary share.

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

15. Profit and loss account

	£'000
At 1 January 2013	21,885
Profit for the year	11,538
	<hr/>
At 31 December 2013	33,423
	<hr/> <hr/>

16. Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Opening shareholders' funds	21,975	15,042
Profit for the year	11,538	6,933
	<hr/>	<hr/>
Closing shareholders' funds	33,513	21,975
	<hr/> <hr/>	<hr/> <hr/>

17. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	2013 £'000	2012 £'000
Expiry date:		
- between two and five years	325	325
	<hr/> <hr/>	<hr/> <hr/>

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

18. Reconciliation of adjusted results to UK GAAP results

	2013 £'000	2012 £'000	2011 £'000
Operating profit (adjusted)	17,851	12,931	9,385
Exceptional items (note 6)	(2,917)	(2,478)	(1,649)
Profit before finance charges	14,934	10,453	7,736
Finance charges	(856)	(1,033)	(1,773)
Profit before tax	14,078	9,420	5,963
Tax	(2,540)	(2,487)	(1,666)
Profit after tax	11,538	6,933	4,297
EBITDA	19,640	15,545	12,338
Note - EBITDA:			
Operating profit (adjusted)	17,851	12,931	9,385
Depreciation	816	881	811
Amortisation of capitalised contract implementation costs	973	1,733	2,142
	19,640	15,545	12,338

19. Contingent liabilities

The Company is a co-guarantor to the borrowings of the group headed by AMS Midco Limited, of which it is a member. Refer to note 1 for the amounts drawn under the facilities.

20. Ultimate controlling party

Alexander Mann Group Limited, a company incorporated in Great Britain and registered in England and Wales, is the immediate parent company and the parent of the smallest group for which consolidated financial statements are prepared.

The Directors consider AMS Topco Limited, a company incorporated in the Cayman Islands, registered as a foreign company in England and Wales and tax resident in Great Britain to be the ultimate controlling company.

AMS Topco Limited is the parent company of the largest group of which the company is a member and for which consolidated financial statements are drawn up. Copies of the consolidated financial statements of the ultimate parent company are available from 3 Waterhouse Square, 138-142 Holborn, London EC1N 2SW.

Alexander Mann Solutions Limited

Notes to the financial statements Year ended 31 December 2013

20. Ultimate controlling party (continued)

AMS Topco Limited is under the control of funds advised by New Mountain Capital LLC.

21. Off-balance sheet arrangements

The Group's activities expose it to the financial risk of changes in foreign exchange rates. The Company uses financial instruments to reduce its exposure to foreign exchange risk. The Company does not hold or issue derivative financial instruments for speculative purposes.

The Company has entered into foreign currency forward extra contracts during 2013 with HSBC Bank plc, which guarantee that the company can purchase Polish zloty at a pre-determined rate on fixed dates. This arrangement fixes up to PLN 9,100,000 of future cash flows at a foreign currency exchange rate of between 4.88 and 4.995 per £1 sterling between January 2014 and August 2014. The fair value of the foreign currency forward extra contracts at 31 December 2013 is an asset of £4,131.

Gains and losses arising from forward foreign exchange hedging contracts are deferred and recognised in the profit and loss account upon settlement.