

REGISTERED NUMBER: 07485626 (England and Wales)

ALLEGIS GROUP (UK) HOLDINGS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012



PricewaterhouseCoopers LLP
Chartered Accountants
& Statutory Auditors
9 Greyfriars Road
Reading
RG1 1JG

ALLEGIS GROUP (UK) HOLDINGS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2012

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ALLEGIS GROUP (UK) HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS:

P J Bowie
J C Davis
C L Hartman
J B Turner
Sean Beavis (Resigned 12 July 2012)

REGISTERED OFFICE:

OTV House East Wing
Wokingham Road
Bracknell
Berkshire
United Kingdom
RG42 1NG

REGISTERED NUMBER:

07485626 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants
& Statutory Auditors
9 Greyfriars Road
Reading
RG1 1JG

ALLEGIS GROUP (UK) HOLDINGS LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors present their report with the audited financial statements of the company and the group for the year ended 31 December 2012. The comparative information presented is for the period from 1 February 2011 to 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review was that of an international staffing business, providing both permanent and contracting staff, a provider of outsourcing staffing services, and the development, sale and support of HR Advisory, Payroll, Recruitment and Learning services.

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

On 1 January 2012 Aston Carter International Ltd, an indirect subsidiary of Allegis Group (UK) Holdings Ltd, acquired 100% of the ordinary share capital of Allegis Group Ltd, from Allegis Group Inc, the ultimate parent undertaking, for consideration of £6,500,000, which operates across the globe.

Effective 13 September 2012, Pergal Pty Ltd ("Pergal"), a joint venture owned 50% by Allegis Group Australia Pty Ltd, a wholly owned subsidiary of Allegis Group (UK) Holdings Limited, and 50% owned by Morgan Banks Investments Pty Limited, acquired all the outstanding shares and options of Talent2 International Pty Limited, a leading human resources business process outsourcing and managed services organization operating in the Asia Pacific region, through a wholly-owned subsidiary, Perbec Pty Ltd. Allegis Group Australia Pty Ltd contributed a total of AU\$81.1 million to the joint venture for the purposes of funding its portion of the purchase price for the shares and options. Of the total AU\$81.1 million contribution to Pergal, AU\$34.7 million was contributed in the form of equity and AU\$46.4 million was contributed in the form of a loan.

RESULTS AND DIVIDENDS

Details of the results for year ended 31 December 2012 are set out in the group Profit and Loss account on page 7. The Directors do not recommend the payment of a dividend (2011: nil).

FUTURE DEVELOPMENTS

The group has continued to achieve good results despite facing a challenging economic climate both at home and abroad. The company has achieved growth from both developing upon its existing business and by a process of acquisition. It is therefore well placed to both build upon existing market share and in diversifying into new markets. The group is well placed to grow revenue and profits.

In the year to 31 December 2013, full control of Pergal Pty Ltd, was taken by Allegis Inc, following the appointment of an additional member of the Board of directors of Pergal Pty Ltd.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

Paul Joseph Bowie
James Charles Davis
Christopher Lee Hartman
John Bradford Turner
Sean Beavis (Resigned 12 July 2012)

ALLEGIS GROUP (UK) HOLDINGS LIMITED

REPORT OF THE DIRECTORS - continued **FOR THE YEAR ENDED 31 DECEMBER 2012**

GROUP'S POLICY ON PAYMENT OF CREDITORS

It is the policy of the group to agree appropriate terms and conditions for transactions with suppliers (by means ranging from standard written terms to individually negotiated contracts) and that payment should be made in accordance with those terms and conditions, provided that the supplier has also complied with them

The group's standard policy varies between its UK and overseas contractors. It is the group's standard policy to pay UK contractors monthly within 6 days from submission of a duly authorised timesheet and invoice, and its overseas contractors monthly within 6 to 14 days from submission of a duly authorised timesheet and invoice

Overall group creditor days were 15 (2011: 8) days. The company has no trade creditors (2011: none)

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance, or position of the group

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year (31 December 2011 – period), the group made charitable donations to established charities of £6,257 (2011: £1,860) and made no political donations (2011: £nil)

PRINCIPAL RISKS AND UNCERTAINTIES

Managing the group with a view to attaining its overall strategy of expansion is subject to a number of risks. Allegis Group (UK) Holdings Limited considers the main risks that could potentially impact the group's operating and financial performance as follows

People

Retaining key staff is critical to the group's strategy for expansion. The inability to recruit and retain excellent people could adversely affect the group's results. Such risks are mitigated by its policy toward staff share ownership, as well as competitive pay and commission structures. Such commission structures are directly linked to each individual's contribution to the group's growth

Environment

Recruitment activity is affected by the confidence and economic conditions of the market in which the group operates. The Board look to reduce the group's risk by finding new markets overseas and in the case of the UK by expanding into new business sectors that diversify from its existing base as well

Competition

The group operates in a highly competitive marketplace. In order to succeed, the group endeavours to continue to hire new staff, and explore new business sectors. Being a technology based recruiter, there is a risk that competitors may beat us to key opportunities as technology changes which could result in lost business and a reduction in market share. This risk is mitigated by training of key personnel, as well as regular meetings of the Board, where strategy is continually reviewed and decisions made over the allocation of resources

Financial, Liquidity and Cashflow

The Board continually monitors the liquidity and cash flow of the group. The group maintains short-term finance that is designed to ensure the group has sufficient funds for operations and planned expansions. Cash flow is monitored and controlled daily, and regularly forecasted to ensure sufficient cash is available to meet the group's continuing obligations and requirements

ALLEGIS GROUP (UK) HOLDINGS LIMITED

REPORT OF THE DIRECTORS - continued **FOR THE YEAR ENDED 31 DECEMBER 2012**

IT systems

The group relies upon the speed and effectiveness of its administration to provide services to clients, candidates and contractors. Due to the rapid advancement of technology, there is a risk that systems could become outdated and competitors with more efficient systems have an advantage on these key groups. The group continues to invest in developing these key systems.

Government

The group and company operate in an environment which has varying legal and compliance regulations. Changes in statutory requirements impact on attractiveness to a contractor and the role of the group. The group ensures that staff are continually updated as to practice by training staff in compliance with these legal requirements. Consultants that derive the fees for the group as well as support staff receive regular training and updates of changes in these requirements.

FINANCIAL RISK MANAGEMENT POLICIES

The group's operations expose it to a variety of financial risks that include, foreign currency risk, liquidity risk, interest rate risk, credit risk and price risk. Risk management is carried out by a central treasury department under policies from the board of directors of Allegis Group (UK) Holdings Limited.

Foreign Currency Risk

Exposure to foreign currency risk on consolidation, arises principally as a consequence of a significant portion of the Group's funding being now denominated in Australian dollars, following the acquisition Pergal Pty Ltd during the year.

Liquidity Risk

The group maintains short-term finance that is designed to ensure the group has sufficient funds for operations and planned expansions.

Interest Rate Risk

The group financially operates through a mixture of retained profits, bank overdraft and parent company loan. The group borrowings are Sterling denominated and interest rates are fixed at the time of borrowing.

Credit Risk

The group minimises any credit risk by adhering to policies that require credit checks on any potential customers before sales are made. The group maintains several bank accounts with immediate access to funds. No deposits are held with any financial institutions.

Price Risk

The group remains under pressure from clients and suppliers to ensure that the amounts billed and paid remain market related, and sufficient to ensure a reasonable return is achieved for the group. The group seeks to maintain long term client and candidate relationships, and with larger clients to work alongside them with preferred supplier agreement and to stabilise pricing.

ALLEGIS GROUP (UK) HOLDINGS LIMITED

REPORT OF THE DIRECTORS - continued **FOR THE YEAR ENDED 31 DECEMBER 2012**

Statement of directors' responsibilities

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 prepared the group and parent 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 the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

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

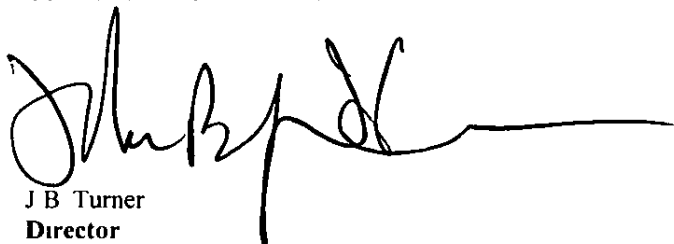
Disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



J B Turner
Director

27 September 2013

ALLEGIS GROUP (UK) HOLDINGS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALLEGIS GROUP (UK) HOLDINGS LIMITED

We have audited the group and parent company financial statements (the 'financial statements') of Allegis Group (UK) Holdings Limited for the year ended 31 December 2012 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. 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 group's and the parent company's affairs as at 31 December 2012 and of the group's profit and cash flows 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 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 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.



Miles Saunders (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road
Reading RG1 1JG

30 September 2013

ALLEGIS GROUP (UK) HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT
FOR YEAR ENDED 31 DECEMBER 2012

Registered number: 07485626

		2012	2011
		£	(11 months) £
TURNOVER	Notes	£	£
	2	454,289,631	248,807,454
Less share of joint ventures' turnover		<u>(42,769,723)</u>	<u>-</u>
GROUP TURNOVER		411,519,908	248,807,454
Cost of sales		<u>(348,942,730)</u>	<u>(202,792,668)</u>
GROSS PROFIT		62,577,178	46,014,786
Administrative expenses		<u>(51,823,469)</u>	<u>(32,363,307)</u>
GROUP OPERATING PROFIT	3	10,753,709	13,651,479
Share of operating loss in joint venture		<u>(140,302)</u>	<u>-</u>
Interest receivable and similar income			
-Group	4	1,839,731	7,904
-Joint Venture		<u>52,340</u>	<u>-</u>
		1,892,071	7,904
Interest payable and similar charges			
-Group	5	(5,823,995)	(3,137,909)
-Joint Venture		<u>(844,586)</u>	<u>-</u>
		(6,668,581)	(3,137,909)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>5,836,897</u>	<u>10,521,474</u>
Tax on profit on ordinary activities			
-Group	6	(2,091,200)	(3,753,519)
-Joint Venture		<u>(196,575)</u>	<u>-</u>
		(2,287,775)	(3,753,519)
PROFITS FOR THE FINANCIAL YEAR FOR THE GROUP AND ITS SHARE OF JOINT VENTURES	19	<u>3,549,122</u>	<u>6,767,955</u>

All amounts relate to continuing activities

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year/period stated above and their historical cost equivalents

ALLEGIS GROUP (UK) HOLDINGS LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2012

Group	Notes	2012	2011
		£	(11 months) £
PROFIT/(LOSS) FOR THE YEAR/PERIOD			
-Group		4,678,245	6,767,955
-Joint Venture		<u>(1,129,123)</u>	<u>-</u>
		3,549,122	6,767,955
Exchange adjustments taken to reserves	19	(1,555,055)	(309,898)
TOTAL RECOGNISED GAINS RELATING TO THE YEAR/PERIOD		<u>1,994,067</u>	<u>6,458,057</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
GROUP BALANCE SHEET
31 DECEMBER 2012

	Notes	£	£	2012 £	2011 £
FIXED ASSETS					
Intangible assets	9			60,851,719	52,257,064
Tangible assets	10			949,504	478,136
Investments in Joint Ventures					
Share of Gross Assets	11	76,255,859			
Share of Gross Liabilities	11	(54,900,626)			
				21,355,233	-
				83,156,456	52,735,200
CURRENT ASSETS					
Debtors	12	148,796,484		48,179,325	
Cash at bank and in hand				27,997,800	9,000,677
				176,794,284	57,180,002
Creditors					
Amounts falling due within one year	13	(95,596,623)		(28,083,719)	
NET CURRENT ASSETS				81,197,661	29,096,283
TOTAL ASSETS LESS CURRENT LIABILITIES				164,354,117	81,831,483
CREDITORS					
Amounts falling due after more than one year	14		(112,911,784)		(47,845,070)
PROVISIONS FOR LIABILITIES	17		(316,000)		(268,000)
NET ASSETS				51,126,333	33,718,413
CAPITAL AND RESERVES					
Called up share capital	18			95,619	94,119
Share premium account	19			30,904,382	15,905,882
Other reserves	19			(1,864,953)	(309,898)
Profit and loss account	19			10,317,077	6,767,955
TOTAL SHAREHOLDERS FUNDS	20			39,452,125	22,458,058
EQUITY MINORITY INTEREST	21			11,674,208	11,260,355
CAPITAL EMPLOYED				51,126,333	33,718,413

The financial statements on pages 7 to 28 were approved by the Board of Directors on 27 September 2013 and were signed on its behalf by

J. S. Turner
Director

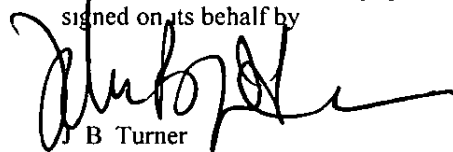
REGISTERED NUMBER: 07485626

ALLEGIS GROUP (UK) HOLDINGS LIMITED

COMPANY BALANCE SHEET
31 DECEMBER 2012

	Notes	£	2012 £	£	2011 £
FIXED ASSETS					
Investments	11		<u>125,651,117</u>		<u>60,543,255</u>
CURRENT ASSETS					
Debtors	12	1,337,060		720,717	
Cash at bank and in hand		<u>6,286,163</u>		<u>75,914</u>	
		7,623,223		796,631	
CREDITORS					
Amounts falling due within one year	13	<u>(2,888,624)</u>		<u>(47,091)</u>	
NET CURRENT ASSETS			<u>4,734,599</u>		<u>749,540</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			130,385,716		61,292,795
CREDITORS					
Amounts falling due after more than one year	14		<u>(106,010,165)</u>		<u>(47,845,070)</u>
NET ASSETS			<u>24,375,551</u>		<u>13,447,725</u>
CAPITAL AND RESERVES					
Called up share capital	18		95,619		94,119
Share premium account	19		30,904,382		15,905,882
Profit and loss account deficit	19		<u>(6,624,450)</u>		<u>(2,552,276)</u>
TOTAL SHAREHOLDERS' FUNDS	20		<u>24,375,551</u>		<u>13,447,725</u>

The financial statements on pages 7 to 28 were approved by the Board of Directors on 27 September 2013 and were signed on its behalf by


B Turner
Director

ALLEGIS GROUP (UK) HOLDINGS LIMITED**GROUP CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	a	(44,683,054)	8,632,761
Returns on investments and servicing of finance	b	871,032	(397,987)
Taxation		(3,984,128)	(1,826,176)
Capital expenditure and financial investment	b	(938,536)	(129,782)
Acquisitions and disposals	b	<u>(33,504,941)</u>	<u>(60,541,313)</u>
		(82,239,627)	(54,262,497)
Financing	b	<u>87,788,116</u>	<u>61,000,001</u>
Increase in cash in the year/period		<u>5,548,489</u>	<u>6,737,504</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year/period	c	<u>5,548,489</u>	<u>6,737,504</u>
Change in net funds resulting from cash flows		<u>5,548,489</u>	<u>6,737,504</u>
Opening net funds		<u>9,000,677</u>	<u>2,263,173</u>
Net funds at 31 December 2012		<u>14,549,166</u>	<u>9,000,677</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

a. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	10,753,709	13,651,479
Depreciation of fixed assets (Note 10)	467,170	275,897
Amortisation of intangible assets (Note 9)	3,107,949	5,940,705
Increase in debtors	(100,404,918)	(11,674,674)
Increase in creditors	43,216,259	439,354
Other Non Cash	(1,823,223)	-
Net cash (outflow)/ inflow from operating activities	(44,683,054)	8,632,761

b. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	1,839,731	6,162
Interest paid	(968,699)	(404,149)
Net cash inflow/(outflow) for returns on investments and servicing of finance	871,032	(397,987)

	2012	2011
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets in year/(period)	(938,536)	(129,782)
Net cash outflow for capital expenditure and financial investment	(938,536)	(129,782)

	2012	2011
	£	£
Acquisitions & Disposals, arising from:		
Additional consideration following Acquisition of Aston Carter Group Ltd	(11,288,751)	(60,295,225)
Acquisition of Pergal Pty Ltd	(22,216,190)	-
Acquisition of Allegis Group Services GMBH	-	(21,886)
Acquisition of Allegis Group Services Holdings GMBH	-	(37,690)
Acquisition of additional shares from Minority Interests	-	(186,512)
Net cash outflow for Acquisitions & Disposals	(33,504,941)	(60,541,313)

	2012	2011
	£	£
Financing		
Inter group loans	60,343,608	45,000,000
Proceeds from share issue	15,000,000	16,000,001
Increase in borrowings	12,444,508	-
Net cash inflow from financing	87,788,116	61,000,001

c. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2012	Cashflow	At 31 December 2012
	£	£	£
Cash at Bank	9,000,677	18,997,123	27,997,800
Bank loans & overdraft	-	(13,448,634)	(13,448,634)
Net funds	9,000,677	5,548,489	14,549,166

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis and under the historical cost convention in accordance with applicable laws and Accounting Standards in the United Kingdom and the Companies Act 2006. The principal accounting policies, which have been applied consistently, are set out below.

Basis of consolidation

The Group financial statements include the accounts of the Company and subsidiaries controlled by the Company. Control exists where the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are deconsolidated from the date control ceases.

The consolidated financial statements include the financial statements of the company and all its subsidiary undertakings. Acquisitions are included in the group financial statements using the acquisition method of accounting. Accordingly, the group profit and loss account includes the results of acquisitions since the date of the passing of effective control. Purchase consideration is allocated to assets and liabilities on the basis of fair value at the effective date of acquisition. Intra-group transactions and balances are eliminated on consolidation. Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement. Jointly controlled entities are accounted for using the equity method from the date that the jointly controlled entity commences until the date that joint control of the entity ceases. The Group recognises its share of the assets it controls, liabilities and cash flows it incurs and its share of the results under each relevant heading in the profit and Loss account and balance sheet.

Going concern

The financial statements have been prepared on the going concern basis. The directors have taken into consideration that the company's creditors predominantly relate to amounts owed to group undertakings. Although some of these are repayable on demand, the ultimate parent company, Allegis Group Inc, has confirmed that it will provide financial support to the company to enable it to continue trading for at least 12 months from the date of approval of these financial statements.

Turnover of Group (excluding joint venture)

Turnover represents sales of staffing services, permanent placement services and outsourcing Services. In respect of contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Permanent fee revenue is recognised on start date. Revenues are recognised on the accrual basis and are reported net of any sales taxes.

Revenues related to outsourcing services include Managed Service Programmes ("MSP") and Recruitment Process Outsourcing ("RPO"). MSP fee turnover represents a fixed percentage fee of the invoiced value of services supplied. Turnover is recognised on the basis of approved timesheets. Payroll revenue is recognised according to the matching principle. RPO revenue is recognised when the following criteria have been met: (a) persuasive evidence of an arrangement exists, (b) services have been rendered, (c) the fee to the company's client is fixed or determinable, and (d) collectability is reasonably assured. Any turnover generated from advanced invoicing is deferred and recognised in the relevant period.

Turnover of Joint Venture

MSP fee turnover is recognised by reference to the stage of completion of the contract. Revenue from licence sales and disposal of assets is recognised when the entity has passed control of the goods to the buyer.

Revenue relating to maintenance of software is recognised over the maintenance period. Revenue received in advance is recorded as unearned income. Placement revenue is recognised once the outcome of a placement can be reliably estimated, which is considered to be when the appointment is accepted by both the client and the candidate.

Contract placements revenue is recognised when the services are provided. Interest revenue is recognised using the effective interest rate method.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES (Continued)

Intangible assets

On the acquisition of a business, fair values are attributed to the Group's share of net identifiable assets, using acquisition accounting methodology. Where the cost of acquisition exceeds the fair values attributable to such as net assets, the difference is treated as purchased goodwill and capitalised in the balance sheet in the year of acquisition. Purchased goodwill is amortised to nil by equal annual instalments over its useful life of between 3 to 20 years. Goodwill is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment reviews are performed by the directors when there has been an indication of potential impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Investments

Investments are recorded at cost plus incidental expenses less any accumulated impairment losses. Assets that have an indefinite life are not subject to amortisation and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation and any provision for impairment. Depreciation is calculated in order to write off each tangible fixed asset, less their residual value, over their expected useful economic lives at the following annual rates:

Leasehold improvements	- straight line over life of the lease
Fixtures and fittings	- between 25% reducing balance & 25% straight line
Computer software	- between 50% reducing balance & 16.67% straight line
Office & computer equipment	- between 25% reducing balance & 30%-50% straight line

Taxation

Current tax, including UK corporation tax and foreign tax where applicable, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been entered or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefit in the future is uncertain.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Trading transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result using the average exchange rates during the year. The exchange differences arising on re-translation of the net investments in overseas subsidiaries are taken directly to reserves.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Provision

Provisions are recognised when the Group has a present obligation (legal or constructive), and as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

2. GROUP SEGMENTAL REPORTING

An analysis of turnover by origin is given below

	2012	2011
	£	£
United Kingdom – Group	320,438,412	188,827,985
United Kingdom – Joint Venture	8,942,933	-
	<u>329,381,345</u>	<u>188,827,985</u>
Rest of Europe – Group	88,327,899	57,239,958
Rest of Europe – Joint Venture	-	-
	<u>88,327,899</u>	<u>57,239,958</u>
Rest of World – Group	2,753,597	2,739,511
Rest of World – Joint Venture	33,826,790	-
	<u>36,580,387</u>	<u>2,739,511</u>
	<u>454,289,631</u>	<u>248,807,454</u>

Turnover is analysed as follows

	2012	2011
	£	£
Group	411,519,908	248,807,454
Joint Venture	42,769,723	-
	<u>454,289,631</u>	<u>248,807,454</u>

Profit/(loss) on ordinary activities before tax is analysed as follows

	2012	2011
	£	£
Group	6,769,445	10,521,474
Joint Venture	(932,548)	-
	<u>5,836,897</u>	<u>10,521,474</u>

3. OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£	£
Operating lease rentals – land & buildings	1,594,154	916,764
Operating lease rentals – other	19,511	1,258
Depreciation – owned assets (Note 10)	467,170	275,897
Goodwill amortisation (Note 9)	3,107,949	5,940,705
Loss on foreign exchange	414,280	-

Staff costs

	2012	2011
	£	£
Wages and salaries	32,032,122	18,193,051
Social security costs	5,068,715	2,617,085
Pension costs	434,035	305,431
	<u>37,534,872</u>	<u>21,115,567</u>

The average monthly number of employees (including the directors) during the year/period was as follows

	2012	2011
	No	No
Sales Staff	427	287
Administrative Staff	193	47
Management Staff	8	7
	<u>628</u>	<u>341</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

3. OPERATING PROFIT (continued)

Directors' emoluments

None of the directors received any emoluments in respect of qualifying services provided to the company during the year (2011 – period none) Directors are remunerated by other members of the group

	2012 £	2011 £
Director's emoluments for services to subsidiary		
Aggregate emoluments (including benefits in kind)	1,200,201	528,000
Highest paid director		
Aggregate emoluments (including benefits in kind)	1,061,253	411,000

Remuneration in respect of services provided by JC Davis is borne by Allegis Group Inc and is not practical to allocate the remuneration of the directors between these companies

Services provided by the company's auditors and its associates

During the year, the group (including its overseas subsidiaries) obtained the following services from the company's auditors and its associates

	2012 £	2011 £
Fees payable to company's auditors and its associates for the audit of parent company and consolidated financial statements	20,000	34,500
Fees payable to the company's auditors and its associates for other services		
The audit of company's subsidiaries	210,690	51,800
The audit of group joint venture	11,517	-
Tax compliance services	27,000	12,000
Total	269,207	98,300

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £
On short term deposits	26,747	7,904
Interest on loans	1,812,984	-
Total for Group	1,839,731	7,904
Interest on loans – Joint venture	52,340	-
	1,892,071	7,904

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £
Sales financing interest and charges	217,628	75,618
Bank interest and charges	20,118	77,990
Interest on taxation	-	2,093
Group interest payable on loans	5,586,249	2,733,760
Loan fee amortisation	-	248,448
Total for Group	5,823,995	3,137,909
Interest on loans – Joint venture	844,586	-
	6,668,581	3,137,909

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

6. TAXATION

Tax on profit on ordinary activities

The tax charge on the profit on ordinary activities for the year/period was as follows

	2012 £	2011 £
Current tax		
Current tax on profits for the year/period – UK	2,270,939	2,698,519
Current tax on profits for the year/period – Overseas	861,014	1,176,440
Adjustments in respect of prior periods – UK	(104,625)	(137,330)
Adjustments in respect of prior periods - Overseas	(29,238)	15,890
	<u>2,998,090</u>	<u>3,753,519</u>
Deferred tax (note 7)		
Arising on timing differences in the year – UK	(435,120)	-
In respect of prior periods - UK	(471,770)	-
	<u>(906,890)</u>	<u>-</u>
Other taxes		
Share of joint ventures - Overseas	196,575	-
	<u>196,575</u>	<u>-</u>
Total tax on profit for the year/period	<u>2,287,775</u>	<u>3,753,519</u>

Factors affecting the tax charge

The current tax assessed for the year/period is higher (2011 higher) than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>5,836,897</u>	<u>10,521,474</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011: 26.36%) for year/period	1,430,040	2,773,460
Effects of		
Amortisation non tax deductible	702,759	1,691,235
Interest previously provided, now paid crystallising tax deduction	-	(716,318)
Other non tax deductible costs	218,766	58,666
Losses utilised	(142,091)	(16,461)
Arising from exchange rates	1,451	(22,716)
Origination and reversal of timing differences	498,046	(37,328)
Adjustment in respect of foreign tax rates	194,507	144,422
Costs attributable to joint ventures	228,474	-
Adjustments in respect of prior year/period	(133,862)	(121,441)
Current tax charge	<u>2,998,090</u>	<u>3,753,519</u>

During the year, the main rate of UK corporation tax was reduced from 26% to 24%. This was substantively enacted on 26 March 2012 and was effective from 1 April 2012.

During the year, the relevant deferred tax balances have been re-measured as a result of the change in the main rate of UK corporation tax to 23%, which was substantively enacted on 3 July 2012 and is effective from 1 April 2013.

Further reductions to the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015 have been included in Finance Act 2013. These rate reductions have not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

7. DEFERRED TAX Group	Amount recognised	
	2012 £	2011 £
Deferred tax recognised in the financial statements comprises of	<u>906,890</u>	<u>-</u>
At start of period	-	-
Deferred tax credit in profit and loss account (see note 6)	<u>906,890</u>	<u>-</u>
	<u>906,890</u>	<u>-</u>

Group	Amount unrecognised	
	2012 £	2011 £
Deferred tax unrecognised in the financial statements comprises of		
Brought forward losses	<u>2,474,282</u>	<u>-</u>

The company has not recognised any deferred tax assets in the current year or previous period as the directors do not consider it sufficiently certain that there will be suitable profits in future years

Losses within the group have not been recognised as these historic losses are not available to be used in the current tax group. The losses may be utilised in future periods should trading activity within the appropriate entities give rise to taxable profits

8. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year/period was £4,072,174 (2011: £2,552,276)

9. INTANGIBLE ASSETS

COST	Goodwill £
At 1 January 2012	58,197,769
Additions	<u>11,702,604</u>
At 31 December 2012	<u>69,900,373</u>
ACCUMULATED AMORTISATION	
At 1 January 2012	5,940,705
Charge for the year	<u>3,107,949</u>
At 31 December 2012	<u>9,048,654</u>
NET BOOK VALUE	
At 31 December 2012	<u>60,851,719</u>
At 31 December 2011	<u>52,257,064</u>

'Goodwill' arises on consolidation. It represents the excess of consideration paid and the fair value of the net assets acquired of the following entities:

Allegis Group (UK) Holdings II Ltd	69,496,472
Allegis Group Holdings GMBh	107,716
Allegis Group GMBh	<u>296,185</u>
At 31 December 2012	<u>69,900,373</u>

Goodwill in the year of £11,702,604 arose from the company's investment in Allegis Group (UK) Holdings Ltd as a consequence of certain consideration being contingent on future performance. Once the targets had been met this additional consideration crystallised, resulting in an addition to goodwill in the year.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

10. TANGIBLE ASSETS

Group	Leasehold Improvements £	Fixtures and fittings £	Computer software £	Office and Computer equipment £	Total £
COST					
At 1 January 2012	-	731,170	433,663	864,401	2,029,234
Acquisition of subsidiaries	339,256	296,234	519,461	696,934	1,851,885
Additions at cost	145,847	177,585	35,546	301,833	660,811
	<u>485,103</u>	<u>1,204,989</u>	<u>988,670</u>	<u>1,863,168</u>	<u>4,541,930</u>
At 31 December 2012					
ACCUMULATED DEPRECIATION					
At 1 January 2012	-	483,910	349,426	717,762	1,551,098
Acquisition of subsidiary	244,321	213,686	461,353	654,798	1,574,158
Charge for year	65,582	137,487	82,181	181,920	467,170
	<u>309,903</u>	<u>835,083</u>	<u>892,960</u>	<u>1,554,480</u>	<u>3,592,426</u>
At 31 December 2012					
NET BOOK VALUE					
At 31 December 2012	<u>175,200</u>	<u>369,906</u>	<u>95,710</u>	<u>308,688</u>	<u>949,504</u>
At 31 December 2011	<u>-</u>	<u>247,260</u>	<u>84,237</u>	<u>146,639</u>	<u>478,136</u>

Company

There were no fixed assets held within the company at 31 December 2012 (2011 nil)

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

11 INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

	2012	2011
Group	£	£
At 1 January	-	-
Additions in year/period*	21,355,233	-
At 31 December	21,355,233	-

	2012	2011
*Group – Joint Venture investment	£	£
50% Joint Venture - Investment in Pergal PTY Ltd	21,355,233	-

	2012	2011
Company	£	£
At 1 January	60,543,255	-
Additions in year/period**	65,107,862	60,543,255
At 31 December	125,651,117	60,543,255

	2012	2011
**Company - Acquisitions	£	£
Investment in Allegis Group (UK) Holdings II Ltd	11,059,353	60,483,679
Investment in Allegis Group Finance Ltd	30,964,709	-
Investment in Allegis Group Australia PTY Ltd	23,083,800	-
Investment in Allegis Group Holdings GMBh	-	37,690
Investment in Allegis Group GMBh	-	21,886
Total Acquisitions in year/period	65,107,862	60,543,255

Allegis Group (UK) Holdings Limited directly holds 100% of the ordinary share capital of the following subsidiaries

	Country of registration and operation	Principle activity
Allegis Group GMBh	Germany	Recruitment consultancy
Allegis Group Finance Limited	England and Wales	Holding Company
Allegis Group Finance II Limited	England and Wales	Holding Company
Allegis Group Australia PTY Limited	Australia	Holding Company

Allegis Group (UK) Holdings Limited directly holds 84.97% of the ordinary share capital of the following subsidiaries

Allegis Group (UK) Holdings II Ltd	England and Wales	Holding Company
------------------------------------	-------------------	-----------------

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

The above companies, including the subsidiaries of Allegis Group (UK) Holdings II Ltd have been included within the consolidated financial statements. A full list of the Group's subsidiary undertakings is available upon request.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

12. DEBTORS

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Trade Debtors	95,041,344	-	30,564,230	-
Provision for impairment of receivables	(2,249,308)	-	(1,059,917)	-
	92,792,036	-	29,504,313	-
Amounts owed by group undertakings	22,711,659	1,186,807	-	139,173
Amounts owed by Joint Venture	30,761,427	-	-	-
Other debtors	511,435	-	297,833	-
Prepayments and accrued income	1,113,037	-	17,671,980	-
Corporation tax	-	150,253	705,199	581,544
Deferred tax	906,890	-	-	-
	<u>148,796,484</u>	<u>1,337,060</u>	<u>48,179,325</u>	<u>720,717</u>

Within amounts owed by joint ventures are loan notes owed by Perbec PTY Ltd to Allegis Group Australia PTY Ltd of Australian Dollar \$48,076,153 or GBP £30,761,427 (2011 Nil) This balance is unsecured, charged at 10% interest, and repayable on 24 August 2017 Remaining amounts owed by group undertakings are unsecured, interest free and repayable on demand interest free and repayable on demand

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £	O n
Bank loans and overdrafts	13,448,634	-	-	-	2
Trade creditors	17,594,974	-	5,691,245	-	5
Sales Finance creditor	-	-	1,004,126	-	-
Corporation tax	1,746,763	-	3,502,789	-	J
Amounts owed to Group undertakings	30,498,323	-	670,877	-	u
Social security and other taxes	8,251,242	-	3,084,858	-	n
Other creditors and accruals	24,056,687	2,888,624	14,129,824	47,091	e
	<u>95,596,623</u>	<u>2,888,624</u>	<u>28,083,719</u>	<u>47,091</u>	2

012, Aston Carter Group Limited, being a subsidiary of Allegis Group (UK) Holdings Limited, entered into a Collective Sterling Net Overdraft and Multi-Currency Overdraft Facility agreement ("Overdraft Facility") with HSBC The Overdraft Facility, permits aggregate amount of drawings of up to £20 million GBP through to 31 December 2012 The Interest rates on the Collective Sterling Net Overdraft facility are set at the rate of 1.5% per annum over the prevailing Bank of England Rate on the amount of the overdraft The interest rates on the Multi-currency Facility are set at the rate of 1.5% per annum over the Bank's relevant Currency Base Rate as published from time to time Repayment of any outstanding drawings under the Overdraft Facility is guaranteed by Allegis Group, Inc, the US Parent Company Amounts owed to group undertakings are unsecured, interest free and repayable on demand

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Owed by company to Allegis Group Holdings BV – Loan 1	50,904,325	50,904,325	47,733,760	47,733,760
Owed by company to Allegis Group Holdings BV – Loan 2	55,105,840	55,105,840	-	-
Owed by Aston Carter International Ltd to Allegis Group Holdings BV	6,901,619	-	-	-
Other Creditors	-	-	111,310	111,310
	<u>112,911,784</u>	<u>106,010,165</u>	<u>47,845,070</u>	<u>47,845,070</u>
Payable 'otherwise than by installments'	£	£	£	£
Within 1 to 2 years	-	-	111,310	111,310
Within 2 to 5 years	57,805,944	50,904,325	47,733,760	47,733,760
In more than 5 years	55,105,840	55,105,840	-	-
	<u>112,911,784</u>	<u>106,010,165</u>	<u>47,845,070</u>	<u>47,845,070</u>

At 31 December 2012 two separate loans were owed by the company to Allegis Group Holdings BV, the company's immediate parent undertaking. The first loan of £50,904,325 (2011: £47,733,760) is owed to Allegis Group Holdings BV. An initial amount of £45,000,000 was loaned on 31 January 2011. Interest is charged on this sum at an APR of 6.5% per annum. It is repayable in full on 31 January 2016. Interest is accrued on a 3 month basis and converted to principal quarterly during the year. A second loan of £55,105,840 (2011: £Nil) is also owed to Allegis Group Holdings BV. An initial amount of £53,843,608 was loaned at 23 August 2012. Interest is charged on this sum at an APR of 6.5% per annum. It is repayable in full on 23 August 2022. Interest is accrued on a 3 month basis and converted to principal quarterly during the year.

At 31 December 2012 an additional loan was owed by a subsidiary, Aston Carter international Ltd to Allegis Group Holdings BV, the company's immediate parent undertaking. The amount outstanding at 31 December 2012 was £6,901,619 (2011: £Nil). An initial amount of £6,500,000 was loaned on 1 January 2012. Interest is charged on this sum at an APR of 6.5% per annum. It is repayable in full on 31 December 2017, with an option to redeem early. Interest is accrued on a 3 month basis and converted to principal quarterly during the year.

'Other Creditors' represent amounts owed to former Minority shareholders of Allegis Group (UK) Holdings II Limited.

15. OPERATING LEASE COMMITMENTS

At 31st December the Group had annual commitments under non-cancellable operating leases for property expiring as follows:

Group	2012	2011
Expiring	£	£
Within one year	818,291	178,302
Between one and five years	476,540	588,208
	<u>1,294,831</u>	<u>766,510</u>

At 31 December the Group had annual commitments under other non-cancellable operating leases for vehicles, plant and machinery expiring as follows:

Group	2012	2011
Expiring	£	£
Within one year	7,736	-
	<u>7,736</u>	<u>-</u>

There were no operating leases within the Company (2011: none).

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

16. SECURED DEBTS

Until 25 June 2012, bank borrowings were secured by way of a fixed and floating charge over all the assets of the Group. Aston Carter Limited, Aston Carter International Limited and Aston Carter Group Limited had cross guaranteed each other's borrowings. In the year 2012, this debt was fully repaid. At 31 December 2011 the aggregate of secured debt was £1,004,126.

17. PROVISIONS FOR LIABILITIES

	Group
	Dilapidations
	£
At 1 January 2012	268,000
Charged to the profit and loss account in year	48,000
At 31 December 2012	<u>316,000</u>

The provision for dilapidations is calculated on a basis of the expected cost per square metre coverage of office space, lease terms and historical costs on cessation of leases. Obligations are to return the premises to their original state on termination. As per current lease commitments there are 4 leases (2011: 4) with a maximum lease term of five years, at which point the liability will be deemed payable.

18. CALLED UP SHARE CAPITAL

Group and Company

Allotted, issued and fully paid

Number	Class	Nominal value	2012 £	2011 £
95,619 (2011: 94,119)	Ordinary shares	£1.00	<u>95,619</u>	<u>94,119</u>
			<u>95,619</u>	<u>94,119</u>

Movement in share capital

	2012 £	2011 £
At 1 January	94,119	-
At incorporation on 7 January 2011 (subscriber share)	-	1
Issued during the year	<u>1,500</u>	<u>94,118</u>
At 31 December	<u>95,619</u>	<u>94,119</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

19. RESERVES

Group

	2012	2011
	£	£
Share Premium Account		
At beginning of year/period	15,905,882	-
94,118 ordinary shares £1 shares for a consideration £170 per share	-	15,905,882
1,500 ordinary shares £1 shares for a consideration £10,000 per share	14,998,500	-
At 31 December	<u>30,904,382</u>	<u>15,905,882</u>

	2012	2011
	£	£
Other reserves		
At beginning of year/period	(309,898)	-
Translation of foreign investments	(1,555,055)	(309,898)
Balance at 31 December	<u>(1,864,953)</u>	<u>(309,898)</u>

	2012	2011
	£	£
Profit and Loss Account		
At beginning of year/period	6,767,955	-
Profit for the year/period	3,549,122	6,767,955
Balance at 31 December	<u>10,317,077</u>	<u>6,767,955</u>

Company

	2012	2011
	£	£
Share Premium Account		
At beginning of year/period	15,905,882	-
94,118 ordinary shares £1 shares for a consideration £170 per share	-	15,905,882
1,500 ordinary shares £1 shares for a consideration £10,000 per share	14,998,500	-
At 31 December	<u>30,904,382</u>	<u>15,905,882</u>

	2012	2011
	£	£
Profit and Loss Account deficit		
At beginning of year/period	(2,552,276)	-
Loss for the year/period	(4,072,174)	(2,552,276)
Balance at 31 December	<u>(6,624,450)</u>	<u>(2,552,276)</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group	Company	Group	Company
	Year ended 31	Year ended	Period	Period
	December	31 December	ended 31	ended 31
	2012	2012	2011	2011
	£	£	£	£
Opening shareholders funds	22,458,058	13,447,725	-	-
Profit /(loss) for the year/period	3,549,122	(4,072,174)	6,767,955	(2,552,276)
Translation of foreign investments	(1,555,055)	-	(309,898)	-
Issue of ordinary share capital	15,000,000	15,000,000	16,000,001	16,000,001
Closing shareholders' funds	39,452,125	24,375,551	22,458,058	13,447,725

21. MINORITY INTERESTS

The equity minority interests represent a holding by the Management and Staff of Aston Carter Group Ltd of 15.03% (2011: 15.90%) of the ordinary 'A' shares and ordinary 'B' shares of Allegis Group (UK) Holdings II Limited

	2012	2011
	£	£
Ordinary A shares		
At beginning of year/period	11,213,288	-
Issued in the year/period	892,914	11,399,994
Redeemed	(431,994)	(186,706)
At 31 December	11,674,208	11,213,288
Ordinary B Shares		
At beginning of year/period	47,067	-
Issued in the year/period	885,180	48,615
Redeemed	(932,247)	(1,548)
At 31 December	-	47,067
Summary		
At beginning of year/period	11,260,355	-
Issued in the year/period	1,778,094	11,448,609
Redeemed	(1,364,241)	(188,254)
At 31 December	11,674,208	11,260,355

ALLEGIS GROUP (UK) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 DECEMBER 2012**

22. PENSION COMMITMENTS

The group operates a defined contribution pension scheme, the assets of which are held in a separately administered fund. The aggregate pension contributions paid during the year are given in note 3. No contributions were outstanding at 31 December 2012 (2011: £nil).

23. RELATED PARTY DISCLOSURES

The company is exempt under paragraph 3 (c) from the terms of FRS 8 (Related Party Disclosures) from disclosing related party transactions with entities that are 100% subsidiaries of Allegis Group Inc.

At 31 December 2012 Allegis Group (UK) Holdings II Ltd was an 84.97% (2011: 85.10%) owned subsidiary. At 31 December 2012 the company was owed £54,605 from this company, having paid Legal and Professional fees on its behalf.

At 31 December 2012 Aston Carter Limited an indirect 100% subsidiary of Allegis Group (UK) Holdings II Ltd owed the company £720,460 resulting from 'Group Relief' arising from tax losses surrendered of £719,253 (2011: nil) and value added tax of £1207 (2011: nil).

24. ACQUISITION

On 14 December 2012 Allegis Group (UK) Holdings Ltd acquired 100% of the ordinary share capital of Allegis Group Finance Ltd. Total consideration was £30,964,709. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the group.

	Allegis Group Finance Ltd - Book value	Fair Value Adjustment	Fair Value to group
Current assets			
Debtors	30,964,709	-	30,964,709
Total assets	30,964,709	-	30,964,709
Creditors	Nil	-	Nil
Net assets	30,964,709		30,964,709
Purchase Consideration			30,964,709
Satisfied by,			£
Proceeds - from issue of share capital			3
- Transfer of receivable			30,964,706
Purchase Consideration			30,964,709

The consideration for the acquisition of Allegis Group Finance Ltd was the transfer to the vendor of a receivable due to the company from Allegis Group Australia Ltd.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2012

24. ACQUISITION (continued)

On 23 August 2012 Allegis Group (UK) Holdings Ltd acquired 100% of the ordinary share capital of Allegis Group Australia PTY Ltd which immediately acquired 50% of the share capital of Pergal PTY Ltd. Total consideration was Australian Dollars \$34,821,047 (£23,083,800). The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the group.

	Allegis Group Australia PTY Ltd – book value	Fair Value Adjustment	Fair Value to group
Fixed Assets			
Investments	23,017,507	-	23,017,507
Current assets			
Bank	66,293		66,293
Debtors	30,759,809	-	30,759,809
Total assets	53,843,609	-	53,843,609
Creditors	(30,759,809)	-	(30,759,809)
Net assets	<u>23,083,800</u>		<u>23,083,800</u>
Purchase Consideration			£ 23,083,800
Satisfied by,			
Proceeds – Cash Consideration			23,083,800
Purchase Consideration			<u>£ 23,083,800</u>

On 1 January 2012, Aston Carter International Ltd, a subsidiary of Allegis Group (UK) Holdings Ltd acquired 100% of the ordinary share capital of Allegis Group Ltd. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the group.

	Allegis Group Ltd – book value	Fair Value Adjustment	Fair Value to group
Fixed Assets			
Tangible Fixed assets	277,215	-	277,215
Current assets			
Bank	3,065,963		3,065,963
Debtors	24,600,524	-	24,600,524
Total assets	27,941,702	-	27,941,702
Creditors	(21,383,055)	-	(21,383,055)
Net assets	6,560,647		6,560,647
Satisfied by,			
Cash Consideration			6,500,000
Surplus Arising			<u>£ 60,647</u>

Group Investment in Pergal PTY Ltd – Joint venture

	2012	2011
	£	£
Share of Assets		
Share of Fixed Assets	48,944,627	-
Share of Current Assets	<u>27,311,232</u>	-
	76,255,859	-
Share of Liabilities		
Liabilities due within one year or less	(30,020,305)	-
Liabilities due after more than one year	<u>(24,880,321)</u>	-
	(54,900,626)	-
Share of Net Assets	<u>21,355,233</u>	-

ALLEGIS GROUP (UK) HOLDINGS LIMITED
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24. POST BALANCE SHEET EVENTS

In the year to 31 December 2013, full control of Pergal Pty Ltd, was taken by Allegis Inc, following the appointment of an additional member of the Board of directors of Pergal Pty Ltd

25. ULTIMATE CONTROLLING PARTY

The company's ultimate parent undertaking, controlling party and the largest group of undertakings to consolidate these financial statements is Allegis Group Inc, a company incorporated in the United States of America

The results of Allegis Group Inc, are not publicly available