

ALLEGIS GROUP (UK) HOLDINGS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

PricewaterhouseCoopers LLP
Chartered Accountants
& Statutory Auditors
3 Forbury Place
23 Forbury Road
Reading
RG1 3JH

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ALLEGIS GROUP (UK) HOLDINGS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Page
Company Information	1
Strategic Report of the Directors	2
Report of the Directors	4
Independent Auditors' Report to the Members of Allegis Group (UK) Holdings Limited	7
Group Profit and Loss Account	9
Group Statement of Total Recognised Gains and Losses	10
Group Balance Sheet	11
Company Balance Sheet	12
Group Cash Flow Statement	13
Group Reconciliation of Net Funds	13
Notes to the Group Cash Flow Statement and Group Reconciliation of Net Debt	14
Notes to the Financial Statements	15

ALLEGIS GROUP (UK) HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS:

P.J. Bowie
C.L. Hartman

REGISTERED OFFICE:

C/O Legal department
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
3 Forbury Place
23 Forbury Road
Reading
RG1 3JH

ALLEGIS GROUP (UK) HOLDINGS LIMITED
STRATEGIC REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report for the group for the year ended 31 December 2014.

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.

Allegis is a global staffing business, providing both permanent and contracting staff and provider of outsourcing staffing services, and the development, sale and support of HR advisory, payroll, recruitment and learning services. The group has continued to expand through organic growth in the sectors and geographical markets it operates, and by way of acquisition in those geographical markets where it historically has not been strong.

The group considers its key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, the main indicator being the gross margin.

It has seen significant growth in both turnover and gross profit, and expects to return to profitability once it has fully integrated and rationalised its recent acquisitions as well as brand alignment.

BRANCHES

The group has a branch in Sweden which reports under Aston Carter International Limited. This is the only branch that the group holds within the EU.

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 incentive programs, 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 diversifying its product offerings across the market it operates in.

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 staffing company, 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 Cash flow

The group treasury team continually monitors the liquidity and cash flow of the group. The group maintains short-term and long-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, supported by the global resources available to the groups ultimate parent undertaking based in the United States of America.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
STRATEGIC REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

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. The group continues to invest in developing these key systems.

Government

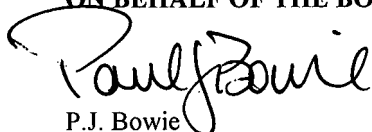
The group and Company operate in an environment which has varying legal and compliance regulations. Changes in statutory requirements impact on attractiveness to a contractor and the role of the group. The group ensures that staff are continually updated as to practice by training staff in compliance 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.

KEY PERFORMANCE INDICATORS

Progress is monitored via monitoring the growth on sales and spread (margin). Performance is shown below, with prior year comparatives, expressed as percentages:

	2014	2013
Growth in sales	13.3%	69.2%
Growth in gross profit margin	8.3%	122.4%

ON BEHALF OF THE BOARD:



P.J. Bowie

Director

Date: 26 February 2016

ALLEGIS GROUP (UK) HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report with the audited consolidated financial statements of the company for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The group loss for the financial year of £23,257,910 (2013: £11,397,814 loss) principally arose from consolidating the results of Pergal Pty Limited with the results of the existing group which was in profit.

FUTURE DEVELOPMENTS

The group is focussed on ensuring it is best positioned to serve its customers wherever they are. Through acquisition it now has a growing presence in both EMEA and Asia Pacific and its ultimate parent has a dominant position in North America, the group considers that it is able to provide superior staffing and human capital solutions across the globe.

It sees the losses arising in the current year as being temporary, arising principally from inheriting a mix of different business models through entities acquired since 2012 not yet being rationalised. It expects to return to profit once all new entities acquired are fully integrated into the existing business model of the group and once brand alignment has been achieved.

The group considers that it is well placed to both build upon existing market share and in diversifying into new markets, and is well placed to grow revenue and profits, despite facing a challenging economic climate both at home and abroad.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the group made charitable donations to established charities of £3,346 (2013: £916) and made no political donations (2013: £nil).

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 14 days from submission of a duly authorised timesheet and invoice. The policy for overheads is to pay them within the agreed credit terms.

Overall group creditor days were 3 (2013: 7) days. The company has no trade creditors (2013: none).

EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

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. Financial risk management is carried out by a central treasury department under the control of group's ultimate parent undertaking based in the United States of America

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 and Euros. However, this is mitigated wherever possible by the use of natural hedges wherever possible.

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 operate through a mixture of retained profits, bank overdraft, external loans and parent company loan. The group borrowings are Sterling, Euro and Australian dollar 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 to stabilise pricing.

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:

P.J. Bowie

J.C. Davis (resigned 18/04/14)

C.L. Hartman

J.B. Turner (resigned 26/08/15)

GOING CONCERN

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Allegis Group Holdings Inc. The directors have received confirmation that Allegis Group Holdings Inc. intend to support the company for at least one year after these financial statements are signed.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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.

Statement of disclosure of information to auditors

Each of the persons who are directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all steps that ought to have been taken as 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.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.


ON BEHALF OF THE BOARD:

P.J. Bowie

Director

Date: 26 February 2016

ALLEGIS GROUP (UK) HOLDINGS LIMITED

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

Report on the financial statements

Our opinion

In our opinion, Allegis Group (UK) Holdings Limited's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's loss 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the group and company balance sheets as at 31 December 2014;
- the group profit and loss account and statement of total recognised gains and losses for the year then ended;
- the group cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

ALLEGIS GROUP (UK) HOLDINGS LIMITED

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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 parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 the 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Miles Saunders (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
26 February 2016

ALLEGIS GROUP (UK) HOLDINGS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR YEAR ENDED 31 DECEMBER 2014

Registered number: 07485626

		2014	2013
	Note	£	£
TURNOVER	2	788,660,261	731,575,872
Less: share of joint ventures' turnover		-	(35,342,802)
GROUP TURNOVER		788,660,261	696,233,070
Cost of sales		(637,995,596)	(557,069,877)
GROSS PROFIT		150,664,665	139,163,193
Administrative expenses		(162,337,335)	(140,680,023)
GROUP OPERATING LOSS	3	(11,672,670)	(1,516,830)
Share of operating loss in joint venture		-	(2,340,585)
Interest receivable and similar income			
-Group	4	161,502	3,167,849
-Joint Venture		-	9,638
		161,502	3,177,487
Interest payable and similar charges			
-Group	5	(9,604,746)	(11,833,185)
-Accretion charge	5	(875,875)	(875,874)
-Joint Venture		-	(287,095)
		(10,480,621)	(12,996,154)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(21,991,789)	(13,676,082)
Tax on loss on ordinary activities			
-Group	6	(1,266,121)	(170,704)
-Joint Venture		-	(5,878)
		(1,266,121)	(176,582)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(23,257,910)	(13,852,664)
Minority Interests		-	2,454,850
LOSS FOR THE FINANCIAL YEAR FOR THE GROUP AND ITS SHARE OF JOINT VENTURES	19	(23,257,910)	(11,397,814)

All amounts relate to continuing activities. There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

ALLEGIS GROUP (UK) HOLDINGS LIMITED

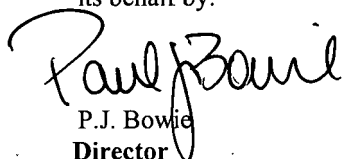
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014

Group	Note	2014	2013
		£	£
LOSS FOR THE YEAR			
-Group		(23,257,910)	(8,773,894)
-Joint Venture		-	(2,623,920)
		(23,257,910)	(11,397,814)
Exchange adjustments taken to reserves	19	(2,668,769)	9,292,419
TOTAL RECOGNISED LOSSES RELATING TO THE YEAR		<u>(25,926,769)</u>	<u>(2,105,395)</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
GROUP BALANCE SHEET
31 DECEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Intangible assets	9	150,358,507	154,938,895
Tangible assets	10	<u>4,549,309</u> 154,907,816	<u>6,513,427</u> 161,452,322
CURRENT ASSETS			
Debtors	12	142,103,099	169,704,133
Cash at bank and in hand		<u>60,670,588</u> 202,773,687	<u>49,004,861</u> 218,708,994
CREDITORS			
Amounts falling due within one year	13	<u>(133,877,736)</u>	<u>(211,692,411)</u>
NET CURRENT ASSETS		<u>68,895,951</u>	<u>7,016,583</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>223,803,767</u>	<u>168,468,905</u>
CREDITORS			
Amounts falling due after more than one year	14	(139,045,432)	(106,674,526)
PROVISIONS FOR LIABILITIES	17	<u>(408,000)</u>	<u>(364,000)</u>
NET ASSETS		<u>84,350,335</u>	<u>61,430,379</u>
CAPITAL AND RESERVES			
Called up share capital	18	95,620	95,620
Share premium account	19	44,815,634	44,815,634
Other reserves	19	55,354,570	7,427,466
Profit and loss account deficit	19	<u>(24,312,969)</u>	<u>(1,055,059)</u>
TOTAL SHAREHOLDERS FUNDS	20	75,952,855	51,283,661
MINORITY INTERESTS	21	<u>8,397,480</u>	<u>10,146,718</u>
CAPITAL EMPLOYED		<u>84,350,335</u>	<u>61,430,379</u>

The financial statements on pages 9 to 31 were approved by the Board of Directors on 26 February 2016 and were signed on its behalf by:



P.J. Bowie
Director

COMPANY REGISTERED NUMBER: 07485626

ALLEGIS GROUP (UK) HOLDINGS LIMITED

COMPANY BALANCE SHEET
31 DECEMBER 2014

	Note	£	2014 £	2013 £
FIXED ASSETS				
Investments	11		122,832,256	97,723,052
CURRENT ASSETS				
Debtors	12	30,886,320	29,943,127	
Cash at bank and in hand		<u>2,106,395</u>	<u>2,544,899</u>	
		32,992,715	32,488,026	
CREDITORS				
Amounts falling due within one year	13	<u>(2,053,985)</u>	<u>(2,423,217)</u>	
NET CURRENT ASSETS			<u>30,938,730</u>	<u>30,064,809</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			153,770,986	127,787,861
CREDITORS				
Amounts falling due after more than one year	14		<u>(80,816,449)</u>	<u>(99,103,581)</u>
NET ASSETS			<u>72,954,537</u>	<u>28,684,280</u>
CAPITAL AND RESERVES				
Called up share capital	18		95,620	95,620
Share premium account	19		44,815,634	44,815,634
Other reserves	19		50,595,873	-
Profit and loss account deficit	19		<u>(22,552,590)</u>	<u>(16,226,974)</u>
TOTAL SHAREHOLDERS' FUNDS	20		<u>72,954,537</u>	<u>28,684,280</u>

The financial statements on pages 9 to 31 were approved by the Board of Directors on 26 February 2016 and were signed on its behalf by:

P.J. Bowie
Director

ALLEGIS GROUP (UK) HOLDINGS LIMITED

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
Net cash (outflow)/ inflow from operating activities	a	(11,923,043)	13,491,277
Returns on investments and servicing of finance	b	(2,912,179)	(1,184,768)
Taxation		(1,111,980)	(4,716,838)
Capital expenditure and financial investment	b	(2,396,497)	(4,948,807)
Acquisitions and disposals	b	<u>(24,572,857)</u>	<u>(1,527,490)</u>
		(42,916,556)	1,113,374
Financing	b	<u>47,248,819</u>	<u>(1,509,148)</u>
Increase/(decrease) in cash in the year		<u>4,332,263</u>	<u>(395,774)</u>

GROUP RECONCILIATION OF NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2014

Reconciliation of net cash flow to movement in net funds		2014 £	2013 £
Increase/(decrease) in cash in the year	c	<u>4,332,263</u>	<u>(395,774)</u>
Change in net funds resulting from cash flows		<u>4,332,263</u>	<u>(395,774)</u>
Acquired with subsidiaries		-	14,552,118
Opening net funds	c	<u>28,705,510</u>	<u>14,549,166</u>
Net funds at 31 December	c	<u>33,037,773</u>	<u>28,705,510</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE GROUP CASH FLOW STATEMENT AND GROUP RECONCILIATION
OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2014

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

	2014	2013
	£	£
Operating loss	(11,672,670)	(1,516,830)
Depreciation of fixed assets (Note 10)	2,282,522	1,899,606
Amortisation of intangible assets (Note 9)	9,891,484	7,674,030
(Gain)/loss on disposal of fixed assets	(503,840)	120,919
Decrease in debtors	27,601,033	22,180,767
Decrease in creditors	(37,351,322)	(24,591,906)
Other non-cash	(2,170,250)	7,724,691
	<u>(11,923,043)</u>	<u>13,491,277</u>
Net cash (outflow)/inflow from operating activities	<u>(11,923,043)</u>	<u>13,491,277</u>

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

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	161,502	3,167,849
Distribution	-	25,678
Interest paid	(3,073,681)	(4,378,295)
Net cash outflow for returns on investments and servicing of finance	<u>(2,912,179)</u>	<u>(1,184,768)</u>

	2014	2014
	£	£
Capital expenditure and financial investment		
Purchase of fixed assets in the year	(2,396,497)	(4,948,807)
Net cash outflow for capital expenditure and financial investment	<u>(2,396,497)</u>	<u>(4,948,807)</u>

	2014	2013
	£	£
Acquisitions & Disposals, arising from:		
Additional consideration following Acquisition of Aston Carter Group Limited	(3,848,873)	(1,527,490)
Acquisition of Pergal Pty Limited	(20,037,984)	-
Acquisition of RMS business purchased from Talent2 UK Limited	(686,000)	-
Net cash outflow for Acquisitions & Disposals	<u>(24,572,857)</u>	<u>(1,527,490)</u>

	2014	2013
	£	£
Repayment of loans	(69,240,511)	(13,911,253)
Proceeds from share issue	-	13,911,253
Capital contribution	50,595,873	-
Increase/(decrease) in borrowings	65,893,457	(1,509,148)
Net cash inflow/(outflow) from financing	<u>47,248,819</u>	<u>(1,509,148)</u>

c. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2014	Cash flow	At 31 December 2014
	£	£	£
Cash at bank	49,004,861	11,665,727	60,670,588
Bank overdraft	(20,299,351)	(7,333,464)	(27,632,815)
Net funds	<u>28,705,510</u>	<u>4,332,263</u>	<u>33,037,773</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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 financial statements 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. When majority control has been obtained subsequently to a joint venture agreement, the entity is then consolidated as a subsidiary under the acquisition method of accounting.

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 Holdings 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

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 once the outcome of a placement can be reliably estimated. Revenues are recognised on the accrual basis and are reported net of any value added taxes.

Revenues related to outsourcing services include Managed Service Programmes ("MSP"), Recruitment Process Outsourcing ("RPO") and payroll services. MSP fee turnover represents a fixed percentage fee of the invoiced value of services supplied or by reference to the stage of completion of the contract, depending on the contract terms. 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.

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.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (CONTINUED)

Other Debtors (supplier pass-through)

Some of the trading subsidiaries within the group operate under a number of arrangements with their customers and their suppliers. In accordance with FRS 102.7, cash receipts and payments are presented net when they are made on behalf of customers and reflect a customer's activities and not those of the Company involved. In addition, the Company involved does not receive any mark-up or other benefit from the funds (i.e. when the Company involved acts as a payment agent for the customer). These sums are referred to as pass-through since there is credit or contractual risk to the Company. Conversely, where the Company is contractually liable for payments made to another party, those payments are not classified as pass through but are recorded as a Cost of Sale. Pass-through is recognised (net) if the Company contractually engages the end supplier. This is because in incorporating the end supplier's services as a Cost of Sale, it contributes to the Company's reported income, and therefore VAT liability, in the Company's onward provision of services. Transactions where the company is simply acting as payment agent, does not bear any credit risk, and does not incur any contractual liability for the end supplier's services, are not reported in the profit and loss account.

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 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.

Research and Development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which varies from 3 to 5 years.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial period end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill above. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (CONTINUED)

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	- between 15%-33% & straight line over life of the lease
Fixtures and fittings	- between 25% reducing balance & 7% – 33% straight line
Computer software	- between 50% reducing balance & 16.67% straight line
Office & computer equipment	- between 25% reducing balance & 7%-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. 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

Some group companies operate a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of these group companies. 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.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (CONTINUED)

Trade Receivables

Trade receivables, which generally have 30 day terms, are recognised initially at fair value less an allowance for impairment and are carried at amortised cost and due to their short-term nature they are not discounted.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Incentive Plan

The group operates a cash settled incentive plan. In the cash-settled plan certain employees of group companies are notionally credited with units which vest only once such persons cease to be employees of the group and subject to certain conditions being met. Liability for units is provided in the financial statements based upon a valuation determined by the Company. "Valuation" shall mean the monetary value of the Units as determined by the Board based, in its sole discretion, upon: (i) the financial performance of the Companies or (ii) another metric as determined by the Board. The unit value is linked to the group's results and any change is expensed in the profit and loss account. The total amount to be expensed over the relevant period is determined by reference to the value of the units notionally credited.

2. GROUP SEGMENTAL REPORTING

An analysis of turnover by origin is given below:

		2014	2013
	£	£	£
United Kingdom – Group	472,680,482	379,064,208	
United Kingdom – Joint Venture	-	7,869,597	386,933,805
Rest of Europe – Group	100,964,778	154,096,791	
Rest of Europe – Joint Venture	-	-	154,096,791
Asia, Pacific and Africa – Group	215,015,001	163,072,071	
Asia, Pacific and Africa – Joint Venture	-	27,473,205	
		190,545,276	
		<u>788,660,261</u>	<u>731,575,872</u>

Turnover is analysed as follows:

	2014	2014
	£	£
Group	788,660,261	696,233,070
Joint Venture	-	35,342,802
	<u>788,660,261</u>	<u>731,575,872</u>

Loss on ordinary activities before tax is analysed as follows:

	2014	2013
	£	£
Group	(21,991,789)	(11,058,040)
Joint Venture	-	(2,618,042)
	<u>(21,991,789)</u>	<u>(13,676,082)</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

3. GROUP OPERATING LOSS

The group operating loss is stated after charging:	2014	2013
	£	£
Operating lease rentals – land & buildings	6,696,848	6,311,388
Operating lease rentals – other	293,352	521,538
Depreciation – owned assets (Note 10)	2,282,522	1,899,606
Profit on disposal of fixed assets	(503,840)	120,919
Goodwill amortisation (Note 9)	8,566,230	7,015,430
Research & development amortisation (Note 9)	1,325,254	658,600
Loss on foreign exchange	359,199	1,901,355

Staff costs

	2014	2013
	£	£
Wages and salaries	98,341,052	82,266,116
Social security costs	8,887,815	7,122,545
Other pension costs	4,541,855	3,751,535
	<u>111,770,722</u>	<u>93,140,196</u>

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

	2014	2013
	No.	No.
Sales staff	1,666	1,535
Administrative staff	1,190	1,163
	<u>2,856</u>	<u>2,698</u>

Directors' emoluments

None of the directors received any emoluments in respect of qualifying services provided to the Company during the year (2013: £nil). 6 (2013: 4) directors were remunerated by other members of the group and have been included in the disclosure below.

	2014	2013
	£	£
Director's emoluments for services to subsidiary		
Aggregate emoluments (including benefits in kind)	<u>2,337,774</u>	<u>1,232,050</u>

Highest paid director

Aggregate emoluments (including benefits in kind)	<u>750,804</u>	<u>884,772</u>
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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:

	2014	2013
	£	£
Fees payable to company's auditors and its associates for the audit of parent company and consolidated financial statements	25,230	20,000
Fees payable to the company's auditors and its associates for other services:		
The audit of company's subsidiaries	315,400	250,300
The audit of group joint venture	-	3,000
Tax compliance services	27,000	27,000
Total	<u>367,630</u>	<u>300,300</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

4. INTEREST RECEIVABLE AND SIMILAR INCOME	2014	2013
	£	£
Short term deposits	14,273	16,756
Interest on loans	147,229	3,151,093
Total for Group	161,502	3,167,849
Interest on loans – Joint venture	-	9,638
	<u>161,502</u>	<u>3,177,487</u>
 5. INTEREST PAYABLE AND SIMILAR CHARGES	 2014	 2013
	£	£
Bank interest and charges	2,575,247	1,424,017
Group interest payable on loans	7,029,499	10,409,168
Total for Group	9,604,746	11,833,185
Interest on loans – Joint venture	-	287,095
Accretion charge	875,875	875,874
	<u>10,480,621</u>	<u>12,996,154</u>
 6. TAX ON LOSS ON ORDINARY ACTIVITIES		
Tax on loss on ordinary activities		
The tax charge on the loss on ordinary activities for the year was as follows:	2014	2013
	£	£
Current tax		
Current tax on profits for the year– UK	896,347	(93,810)
Current tax on profits for the year – Overseas	305,176	(298,330)
Adjustments in respect of prior periods – UK	328,112	1,006,346
Adjustments in respect of prior periods – Overseas	(60,278)	(208,909)
Current tax charge	<u>1,469,357</u>	<u>405,297</u>
Deferred tax (note 7)		
Arising on timing differences in the year – UK	(461,378)	(164,984)
In respect of prior periods – UK	258,142	(69,608)
Deferred tax	<u>(203,236)</u>	<u>(234,592)</u>
Other taxes		
Share of joint ventures – Overseas	-	5,878
	-	5,878
Total tax on loss for the year	<u>1,266,121</u>	<u>176,582</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

6. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting the tax charge

The current tax assessed for the year/period is higher (2013: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2014	2013
	£	£
Profit/(loss) on ordinary activities before tax	<u>(21,991,790)</u>	<u>(13,676,082)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%) for year/period	(4,728,235)	(3,179,689)
Effects of:		
Amortisation non tax deductible	2,077,784	782,141
Other non- tax deductible costs	34,542	(1,955,282)
Group relief without payment	-	(171,100)
Losses utilised	-	(462,033)
Unrecognised losses	5,581,162	-
Origination and reversal of timing differences	1,314,938	6,118,281
Adjustment in respect of foreign tax rates	(2,022,843)	(1,402,991)
Costs attributable to joint ventures	-	608,695
Adjustment to minority interest	-	570,753
Adjustments in respect of prior year/period	(787,991)	(507,238)
Effect of double tax relief	-	(232,650)
Foreign taxes	-	236,411
Current tax charge	<u>1,469,357</u>	<u>405,298</u>

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly the Company's profits for this accounting year are taxed at a blended rate of 21.5%.

In addition to the changes in rates of Corporation tax disclosed above further changes to the UK Corporation tax rates were enacted as part of the Finance Act 2014. These include reductions to the main rate to 20% from 1 April 2015.

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

7. DEFERRED TAX

	Amount recognised	
Group	2014	2013
	£	£
Deferred tax recognised in the financial statements comprises of:	<u>4,497,629</u>	<u>7,584,422</u>
At start of year	7,584,422	906,890
Deferred tax movement	<u>(3,086,763)</u>	<u>6,677,532</u>
	<u>4,497,659</u>	<u>7,584,422</u>

	Amount unrecognised	
Group	2014	2013
	£	£
Deferred tax unrecognised in the financial statements comprises of:		
Brought forward losses	<u>6,388,138</u>	<u>1,862,806</u>

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.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

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 was £6,325,616 (2013: £9,602,524).

9 INTANGIBLE ASSETS GROUP

	Goodwill	Research & Development	Total
COST	£	£	£
At 1 January 2014	168,779,690	3,212,789	171,992,479
Additions	2,785,635	2,581,933	5,367,568
Disposals	-	(71,410)	(71,410)
Foreign currency movements	-	(27,888)	(27,888)
At 31 December 2014	171,565,325	5,695,424	177,260,749
ACCUMULATED AMORTISATION			
At 1 January 2014	16,064,084	989,500	17,053,584
Charge for the year	8,566,230	1,325,254	9,891,484
Disposals	-	(71,410)	(71,410)
Foreign currency movements	(331)	28,915	28,584
At 31 December 2014	24,629,983	2,272,259	26,902,242
NET BOOK VALUE			
At 31 December 2014	146,935,342	3,423,165	150,358,507
At 31 December 2013	152,715,606	2,223,289	154,938,895

Goodwill in the year of £2,099,635 (2013: £1,509,148) arose from the company's investment in Allegis Group (UK) Holdings II Limited 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. The remaining £686,000 arose from the purchase of the RMS business from Talent2 UK Limited.

10. TANGIBLE ASSETS

Group	Fixtures and fittings	Leasehold improvements	Computer software	Office and Computer equipment	Total
COST	£	£	£	£	£
At 1 January 2014	2,230,283	2,790,160	2,518,727	4,885,693	12,424,863
Additions	34,493	170,331	113,439	1,171,233	1,489,496
Disposals	(611,778)	(734,321)	(391,856)	(2,050,677)	(3,788,632)
Reclassification	-	(1,751)	-	41,207	39,456
Foreign exchange	(63,623)	(113,243)	(87,755)	28,881	(235,740)
At 31 December 2014	1,589,375	2,111,176	2,152,555	4,076,337	9,929,443
ACCUMULATED DEPRECIATION					
At 1 January 2014	946,441	989,408	1,765,745	2,209,842	5,911,436
Charge for year	225,343	537,107	374,446	1,145,626	2,282,522
Disposals	(399,127)	(643,758)	(309,234)	(1,429,111)	(2,781,230)
Foreign exchange	(12,974)	20,594	(69,667)	29,453	(32,594)
At 31 December 2014	759,683	903,351	1,761,290	1,955,810	5,380,134
NET BOOK VALUE					
At 31 December 2014	829,692	1,207,825	391,265	2,120,527	4,549,309
At 31 December 2013	1,283,842	1,800,752	752,982	2,675,851	6,513,427

Company

There were no fixed assets held within the company at 31 December 2014 (2013: £nil).

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

11 INVESTMENTS

	2014	2013
Group	£	£
At 1 January	-	21,355,233
Foreign exchange gain	-	1,567,728
50% share of post acquisition losses	-	(2,623,920)
Purchase consideration for 50% of Pergal Pty Limited Group	-	(20,299,041)
At 31 December	-	-

	2014	2013
Company	£	£
At 1 January	97,723,052	125,651,117
Additions in year*	25,109,204	3,036,641
Return of Capital	-	(30,964,706)
At 31 December	122,832,256	97,723,052

	2014	2013
*Company – Acquisitions	£	£
Investment in Allegis Group (UK) Holdings II Limited	3,849,331	3,036,641
Investment in Allegis Group Australia Pty Limited	21,259,873	-
Total acquisitions in year	25,109,204	3,036,641

Allegis Group (UK) Holdings Limited directly/indirectly owns the following ordinary share capital percentages of the below subsidiaries:

	Country of registration and operation	% Shareholding	Principle activity
Allegis Group GmbH	Germany	100	Recruitment agency
Allegis Global Solutions GmbH	Germany	100	Employment services
Allegis Group Finance Limited	England and Wales	100	Holding company
Allegis Group Finance II Limited	England and Wales	100	Holding company
Allegis Group Australia Pty Limited	Australia	100	Holding company
Allegis Group (UK) Holdings II Limited	England and Wales	89	Holding company
Aston Carter Group Limited	England and Wales	89	Holding company
Aston Carter Limited	England and Wales	89	Holding company
Allegis Group Belgium SA	Belgium	89	Recruitment agency
Allegis Group SAS	France	89	Recruitment agency
Allegis Global Solutions Aktiebolag	Sweden	89	Employment services
Allegis Group AG	Switzerland	89	Recruitment agency
Allegis Group Limited	England and Wales	89	Recruitment agency
Allegis Group Limited	Ireland	89	Recruitment agency
Allegis Global Solutions Limited	England and Wales	89	Employment services
Allegis Global Solutions Spolka z.o.o	Poland	89	Employment services
Allegis Global Solutions S.a.r.l	Luxembourg	89	Employment services
Allegis Global Solutions AG	Switzerland	89	Employment services
Andlock Limited	England and Wales	89	Dormant company
Genesis Recruitment Limited	England and Wales	89	Dormant company
Allegis Holdings B.V.	Netherlands	89	Recruitment agency
Allegis Services B.V.	Netherlands	89	Recruitment agency
Allegis Group Contracting B.V.	Netherlands	89	Recruitment agency
Allegis Group B.V	Netherlands	89	Recruitment agency
Allegis Global Solutions B.V.	Netherlands	89	Recruitment agency
Pergal Pty Limited	Australia	100	Holding company
Perbec Pty Limited	Australia	100	Holding company
Talent2 International Pty Limited	Australia	100	Holding company
Talent2 Pty Limited	Australia	100	Recruitment agency
Talent2 Works Pty Limited	Australia	100	Payroll agency

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

11 INVESTMENTS (CONTINUED)

Major, Lindsey & Africa Pty Limited	Australia	100	Recruitment agency
T2 Pty Limited	Australia	100	Treasury
Paper Shuffle Pty Limited	Australia	100	Recruitment agency
National Payroll Systems Pty Limited	Australia	100	Payroll agency
T2 Optimise Pty Limited	Australia	100	Learning
The Learning Group Pty Limited	Australia	100	Learning
Talent2 Services Pte Limited	Australia	100	Payroll agency
Australian College of Management Pty Limited	Australia	100	Dormant company
The QLD College of Business Pty Limited	Australia	100	Dormant company
Talent 2 NZ Limited	New Zealand	100	Recruitment and payroll
Sugar International Limited	New Zealand	100	Holding Company
Talent2 Limited	New Zealand	100	Recruitment agency
Zapper (HK) Limited	Hong Kong	100	Payroll agency
Talent2 Holdings Limited	Hong Kong	100	Payroll agency
Talent2 Works Limited	Hong Kong	100	Payroll agency
Allegis Global Solutions (Hong Kong) Limited	Hong Kong	100	Employment services
Talent2 Limited	Hong Kong	100	Holding Company
Talent2 Korea Limited	Korea	100	Payroll agency
Talent2 Services Pte Limited (Taiwan Branch)	Taiwan	100	Payroll agency
Talent2 Taiwan Co Limited	Taiwan	100	HR consultancy
Talent2 Shanghai Co Limited	China	100	Recruitment agency
Talent2 Guangzhou Co.Limited	China	100	Recruitment agency
Talent2 Japan KK	Japan	100	Recruitment agency
T2 Tokyo KK	Japan	100	Recruitment agency
Talent2 KK	Japan	100	Payroll agency
TOGJ Consulting KK	Japan	100	Dormant company
Zapper Services Consultancy (Shanghai) Limited	China	100	Payroll agency
Two Talent2 Malaysia Sdn Bhd	Malaysia	100	Dormant company
Agensi Pekerjaan Talent2 International Sdn. Bhd.	Malaysia	100	Recruitment agency
Talent2 HRO Sdn Bhd	Malaysia	100	Payroll agency
iZapper Sdn Bhd	Malaysia	100	Payroll agency
Talent2 Staffing Solutions Sdn Bhd	Malaysia	100	Recruitment agency
Allegis Group Hong Kong Limited	Hong Kong	100	Recruitment agency
Talent2 Services Pte Limited	Singapore	100	Payroll agency
Allegis Global Solutions (Singapore) Pte Limited.	Singapore	100	Recruitment agency
Zapper Thailand Co. Limited	Thailand	69	Payroll agency
Talent2 HRMS Co Limited	Thailand	40	Holding company
Allegis Group Holdings (Thailand) Co Limited	Thailand	40	Holding company
Zapper Vietnam Co Limited	Vietnam	100	Payroll agency
Zapper Philippines BPO, Inc.	Philippines	100	Payroll agency
i-Zapp Cebu Corporation	Philippines	100	Payroll agency
NPS International Pty Limited	Australia	100	Dormant company
Talent2 Services Pte Limited - Philippine ROHQ	Philippines	100	Payroll agency
Talent2 India HR Private Limited	India	100	Payroll agency
Talent Parters in the Gulf Limited	British Virgin Islands	100	Holding company
Talent Partners (Dubai) LLC	Dubai	98	Recruitment agency
Talent Partners Bahrain WLL	Bahrain	98	Recruitment agency
Talent2 UK Limited	England and Wales	100	Recruitment agency
Australasian Talent Company Limited	England and Wales	100	Recruitment agency
Talent2 UK Executive Limited	England and Wales	100	Recruitment agency
Allegis Group Singapore Private Limited	Singapore	100	Recruitment agency
Aston Carter (Singapore) Pte Limited	Singapore	100	Recruitment agency

The directors believe that the carrying value of the investments is supported by their underlying net assets and/or expected cash flows.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

12. DEBTORS

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Trade debtors	88,923,151	-	112,679,522	-
Provision for impairment of receivables	(3,226,217)	-	(2,540,105)	-
	85,696,934	-	110,139,417	-
Amounts owed by group undertakings	2,601,206	30,875,297	45,372,075	28,563,793
Other debtors	9,825,783	-	515,993	-
Other taxation and social security and other taxes	-	1,315	-	-
Corporation tax	-	9,708	-	1,379,334
Deferred tax	4,497,629	-	7,584,422	-
Prepayments and accrued income	39,481,547	-	6,092,226	-
	<u>142,103,099</u>	<u>30,886,320</u>	<u>169,704,133</u>	<u>29,943,127</u>

Company

During 2014, within amounts owed by Group Undertakings is a loan owed by Allegis Group Australia Pty Limited of £28,080,289 (2013: £27,161,294). The balance is unsecured, charged at 6.75% & 9.75% interest, and repayable on 24 August 2017. Remaining amounts owed by 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 2014

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2014	Company 2014	Group 2013	Company 2013
	£	£	£	£
Bank loans and overdrafts	42,213,089	-	48,591,462	-
Trade creditors	4,534,443	-	12,347,508	-
Corporation tax	224,987	-	70,843	-
Amounts owed to Group undertakings	2,425,883	8	45,893,576	-
Other taxation and social security	15,326,362	-	8,200,285	-
Other creditors and accruals	69,152,972	2,053,977	81,113,679	2,423,217
Other loan	-	-	15,475,058	-
	<u>133,877,736</u>	<u>2,053,985</u>	<u>211,692,411</u>	<u>2,423,217</u>

Group

On July 31, 2014, Allegis Group, Inc. (Allegis) entered into a five year credit agreement ("Credit Agreement"), with a syndicate of banks. The Credit Agreement was made available for Aston Carter International Limited and Aston Carter Group Limited. Interest rates for the Foreign Borrowers are set according to LIBOR rates published by the British Bankers Association plus the applicable margin. For the year January 1, 2014 through December 31, 2014 the effective interest rate for Aston Carter Group Limited was approximately 1.37%. There was £7,000,000 in outstanding borrowings under the Credit Agreement for Aston Carter Group Limited for the year ended December 31, 2014. The effective interest rate for Aston Carter International Limited was approximately 1.01%. There was €5,000,000 in outstanding borrowings under the Credit Agreement for Aston Carter International Limited for the year ended December 31, 2014.

The Credit Agreement requires compliance with certain financial and other covenants. As a part of the financial covenants, Allegis is required to maintain a consolidated modified leverage ratio not greater than specified in the covenant. Allegis was in compliance with all applicable covenants in effect as of December 31 2014.

11 June 2012, Aston Carter International Limited, Aston Carter Group Limited, Allegis Global Solutions Limited and Allegis Global Solutions SAS, entered into a Collective Sterling Net Overdraft and Multi-Currency Overdraft Facility agreement ("Overdraft Facility") with HSBC. The overdraft was extended for and expired on December 31, 2014. The Overdraft Facility, permits aggregate amount of drawings of up to £20 million GBP. 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 prevailing European Central Bank Main Refinancing Operations Fixed 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.

Company

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

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

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

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Owed to Allegis Group Holdings BV	80,822,968	80,816,449	99,103,581	99,103,581
Owed by Aston Carter International Limited to Allegis Group Inc	7,547,623	-	7,570,945	-
Revolving credit facility	50,674,841	-	-	-
	<u>139,045,432</u>	<u>80,816,449</u>	<u>106,674,526</u>	<u>99,103,581</u>
Payable 'otherwise than by installments'	£	£	£	£
Within 2 to 5 years	81,464,607	23,235,624	52,689,207	45,118,262
In more than 5 years	57,580,825	57,580,825	53,985,319	53,985,319
	<u>139,045,432</u>	<u>80,816,449</u>	<u>106,674,526</u>	<u>99,103,581</u>

At 31 December 2014 two separate loans were owed by the company to Allegis Group Holdings BV, the company's immediate parent undertaking. The first loan of £23,235,624 (2013: £45,118,262) 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. £24,835,000 was paid early during December 2014 and remaining amount is payable 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 £57,587,344 (2013: £53,985,319) is also owed to Allegis Group Holdings BV. An initial amount of £53,843,608 was loaned at 23 August 2013. 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 2014 an additional loan was owed by a subsidiary, Aston Carter International Limited to Allegis Group Inc. The amount outstanding at 31 December 2014 was £7,574,623 (2013: £7,570,945). An initial amount of £6,500,000 was loaned on 1 January 2013. 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.

At 31 December 2014 the Talent2 group owed £50,674,841 (AUD 92,000,000 and HKD 29,000,000) under the revolving credit facility with Bank of America Merrill Lynch. The effective interest rate on Talent2 borrowings was approximately 3.48% for the period 31 July 2014 through 31 December 2014. This loan is repayable by 31 July 2019.

15. OPERATING LEASE COMMITMENTS

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

Group	2014	2013
Expiring:	£	£
Within one year	2,051,221	480,217
Between one and five years	4,315,232	5,539,318
Over 5 years	-	716,745
	<u>6,366,453</u>	<u>6,736,280</u>

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

Group	2014	2013
Expiring:	£	£
Within one year	46,075	48,890
Between one and five years	269,097	335,576
	<u>315,172</u>	<u>384,466</u>

There were no operating leases within the Company (2013: none).

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

16. SECURED DEBTS

The group and Company has no secured debt during the period (2013: nil).

As part of the Allegis Group, Inc. Syndicated Credit Facility ("Credit Agreement"), the Foreign Borrowers, defined as Aston Carter International Limited, Aston Carter Group Limited, and Talent2 International Pty Limited, jointly and severally guarantee to the extent permitted by applicable laws the borrowings under the Credit Agreement of each Foreign Borrower. Allegis Group, Inc guarantees the entirety of the Credit Agreement including the Foreign Borrowers.

17. PROVISIONS FOR LIABILITIES

	Group
	Dilapidations
	£
At 1 January 2014	364,000
Charged to the profit and loss account in year	44,000
At 31 December 2014	<u>408,000</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 (2013:4) 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	2014	2013
			£	£
95,620 (2013 : 95,620)	Ordinary shares	£1.00	95,620	95,620
			<u>95,620</u>	<u>95,620</u>
Movement in share capital			2014	2013
			£	£
At 1 January			95,620	95,619
Issued during the year			-	1
At 31 December			<u>95,620</u>	<u>95,620</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

19. RESERVES

Group

	2014	2013
	£	£
<u>Share premium account</u>		
At beginning of year	44,815,634	30,904,382
1 ordinary £1 share for a consideration of £13,911,253 per share	-	13,911,252
At 31 December	<u>44,815,634</u>	<u>44,815,634</u>

	2014	2013
	£	£
<u>Other reserves</u>		
At beginning of year	7,427,466	(1,864,953)
Translation of foreign investments	(2,668,769)	9,292,419
Capital contribution	50,595,873	
Balance at 31 December	<u>55,354,570</u>	<u>7,427,466</u>

The capital contribution relates to funding required for the repayment of the loan with Allegis Group Holdings B.V. (£23,835,000), payment of the final 50% buy-out of Talent2 (£20,730,873) and future working capital needs of the group (£6,030,000).

	2014	2013
	£	£
<u>Profit and loss account deficit</u>		
At beginning of year	(1,055,059)	10,317,077
Loss for the year	(23,257,910)	(11,397,814)
Capital distribution	-	25,678
Balance at 31 December	<u>(24,312,969)</u>	<u>(1,055,059)</u>

Company

	2014	2013
	£	£
<u>Share premium account</u>		
At beginning of year	44,815,634	30,904,382
1 ordinary £1 share for a consideration of £13,911,253 per share	-	13,911,252
At 31 December	<u>44,815,634</u>	<u>44,815,634</u>

	2014	2013
	£	£
<u>Other reserves</u>		
At beginning of year	-	-
Capital contribution	50,595,873	-
Balance at 31 December	<u>50,595,873</u>	<u>-</u>

	2014	2013
	£	£
<u>Profit and loss account deficit</u>		
At beginning of year	(16,226,974)	(6,624,450)
Loss for the year	(6,325,616)	(9,602,524)
Balance at 31 December	<u>(22,552,590)</u>	<u>(16,226,974)</u>

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group Year ended 31 December 2014 £	Company Year ended 31 December 2014 £	Group Year ended 31 December 2013 £	Company Year ended 31 December 2013 £
Opening shareholders' funds	51,283,661	28,684,280	39,452,125	24,375,551
Loss for the financial year	(23,257,910)	(6,325,616)	(11,397,814)	(9,602,524)
Capital distribution	-	-	25,678	-
Capital contribution	50,595,873	50,595,873	-	-
Translation of foreign investments	(2,668,769)	-	9,292,419	-
Issue of ordinary share capital	-	-	13,911,253	13,911,253
Closing shareholders' funds	75,952,855	72,954,537	51,283,661	28,684,280

21. MINORITY INTERESTS

The equity minority interests represent a holding by the Management and Staff of Aston Carter Group Limited of 10.64% (2013: 12.97%) of the ordinary 'A' shares of Allegis Group (UK) Holdings II Limited.

	2014 £	2013 £
Ordinary A shares		
At beginning of year	10,146,718	11,674,208
Redeemed	(1,749,238)	(1,527,490)
At 31 December	8,397,480	10,146,718

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 2014 (2013: £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 Holdings Inc.

At 31 December 2014 Allegis Group (UK) Holdings II Limited was an 89.36% (2013: 87.03%) owned subsidiary. At 31 December 2014 the company was owed £55,095, (2013: 54,605) from this company, having paid Legal and Professional fees on its behalf. None of the movement between 2014 and 2013 balances impacted the profit and loss account.

At 31 December 2013 Aston Carter Limited an indirect 100% subsidiary of Allegis Group (UK) Holdings II Limited owed the company £727,008 (2013: £727,057). None of the movement between 2014 and 2013 balances impacted the profit and loss account.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

24. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Allegis Group Holdings B.V. (UK), a company incorporated in the Netherlands.

The ultimate parent undertaking, controlling party and the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2014 is Allegis Group Holdings Inc, a company incorporated in the United States of America. The consolidated financial statements of Allegis Group Holding Inc, are not publicly available.