

REGISTERED NUMBER: 07485626 (England and Wales)

**ALLEGIS GROUP (UK) HOLDINGS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**



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

ALLEGIS GROUP (UK) HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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ALLEGIS GROUP (UK) HOLDINGS LIMITED
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COMPANY INFORMATION

Directors

P. Bowie

C. Hartman

Registered Office

OTV House, East Wing

Wokingham Road

Bracknell

Berkshire

RG42 1NG

Registered Number

07485626 (England and Wales)

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

3 Forbury Place

23 Forbury Road

Reading

Berkshire

RG1 3JH

ALLEGIS GROUP (UK) HOLDINGS LIMITED
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STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2015.

Review of the business and future developments

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

The Company is an intermediate holdings company which incurs management expenses. This situation is expected to continue for the foreseeable future.

Transition to FRS101

During the year the Company transitioned from UK GAAP to Financial Reporting Standards 101 'Reduced Disclosure Framework' (FRS101) which included the current year and prior year comparatives being disclosed under this new framework. The exemptions from the requirements of IFRS that have been applied in the preparation of these financial statements in accordance with FRS101 are listed in the Basis of preparation note on pages 13-14. There were no objections from Allegis Group B.V., the parent Company, when they were made aware of this transition. Further details on the impact have been included in note 15.

Results and dividends

The results of the Company show a loss for the financial year of £49,916,350 (2014: £6,325,616) and can be found in the Statement of Total Comprehensive Income on page 10.

The directors recommend that no dividend will be paid for the year (2014: none).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. These risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Company. The Company ensures policies are effective via constant monitoring directed by the head of global risk seated at headquarters in Baltimore.

Allegis Group (UK) Holdings Limited alone stands as a non-trading company; however the subsidiaries within the group operate in a very competitive market based around pricing and providing a high quality customer service. In order to mitigate this risk the Company monitors market prices on an ongoing basis, carrying out regular market research and striving to exceed customer and client expectations.

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STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (continued)

One of the risks in the recruitment sector is key sales staff leaving. The Group continually monitors the market to ensure compensation and benefits are competitive. A deferred compensation scheme aimed at top performers ensures a high degree of loyalty and retention.

Financial risk management

The Company'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.

Foreign currency risk

Exposure to foreign currency risk at transactional level is minimised due to the majority of activity being carried out in the functional currency.

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.

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 Company.

On behalf of the board



P. Bowie

Director

Date 30th September 2016

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DIRECTORS' REPORT

The Directors' present their Annual Report and audited financial statements for the year ended 31 December 2015.

Directors

The following Directors held office for whole or part of the year and up to the date of signing the financial statements:

P. Bowie
C. Hartman

General Information

Allegis Group (UK) Holdings Limited is a Limited Company that is domiciled and incorporated in the United Kingdom. Its registered address is OTV House, East Wing, Wokingham Road, Bracknell, RG42 1NG.

The Company's parent entity is Allegis Group B.V., an entity incorporated in the Netherlands.

Principal activities and future developments

The Company is an intermediate holdings company which incurs management expenses. This situation is expected to continue for the foreseeable future.

Financial risk management

Refer to the Strategic Report for information on financial risk management.

Dividends

The directors recommend that no dividend will be paid for the year (2014: none).

Employees

The Company does not have any employees for the year ending 31 December 2015 (2014: nil).

Political donations

The Company made no political donations during the year (2014: none).

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

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DIRECTORS' REPORT (CONTINUED)

Statement of directors' responsibilities (continued)

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and

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.

Going concern

The group meets its day-to-day working capital requirements through its cash reserves and borrowings. The directors have a reasonable expectation that the Group has adequate resources to enable the Company to continue in operational existence for the foreseeable future. A letter of support has been received from Allegis Group Holdings C.V. to this effect. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Disclosure of information to auditors

Each director is satisfied that, as far as he is aware, the auditors are aware of all information relevant to the audit of Allegis Group (UK) Holdings Limited's financial statements for the financial year ended 31 December 2015 and that he has taken all steps that ought to have been taken by him as a director in order to make himself aware of any relevant audit information and to establish that Allegis Group (UK) Holdings Limited's auditors are aware of that information.

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DIRECTORS' REPORT (CONTINUED)

Independent auditors

The Company's auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Paul Bowie', written in a cursive style.

P. Bowie

Director

Date 30th September 2016

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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 financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the Statement of Financial Position as at 31 December 2015;
- the Statement of Total Comprehensive Income for the year then ended;
- the Statement of Changes in Equity 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 United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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 Directors' Report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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TO THE MEMBERS OF ALLEGIS GROUP (UK) HOLDINGS LIMITED (CONTINUED)

Other matters on which we are required to report by exception (continued)

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.

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 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.

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

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

Miles Saunders (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
Date:

30 September 2016

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STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
DECEMBER 2015

	Note	2015 £	2014 £
Administrative expenses	4	(196,989)	(317,737)
Impairment of investment	8	(45,893,673)	-
Operating loss		<u>(46,090,662)</u>	<u>(317,737)</u>
Finance income		1,855,973	1,911,873
Finance costs		<u>(5,255,416)</u>	<u>(6,550,126)</u>
Finance costs – net	6	<u>(3,399,443)</u>	<u>(4,638,253)</u>
Loss on ordinary activities before income tax		<u>(49,490,105)</u>	<u>(4,955,990)</u>
Income tax expense on ordinary activities	7	(426,245)	(1,369,626)
Loss for the financial year		<u>(49,916,350)</u>	<u>(6,325,616)</u>
Total comprehensive expense for the year		<u>(49,916,350)</u>	<u>(6,325,616)</u>

The notes on pages 13 to 25 are an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	8	96,227,893	122,832,256
Prepayments and other receivables	9	28,153,055	28,080,289
		<u>124,380,948</u>	<u>150,912,545</u>
Current assets			
Prepayments and other receivables	9	2,531,865	2,806,031
Cash and cash equivalents		2,890,345	2,106,395
		<u>5,422,210</u>	<u>4,912,426</u>
Total assets		<u>129,803,158</u>	<u>155,824,971</u>
Current liabilities			
Creditors (amounts falling due within one year)	10	416,545	8
Borrowings	11	524,855	1,800,841
		<u>941,400</u>	<u>1,800,849</u>
Net current assets		<u>4,480,810</u>	<u>3,111,577</u>
Non-current liabilities			
Borrowings	11	62,012,351	81,069,585
		<u>62,012,351</u>	<u>81,069,585</u>
Equity and liabilities			
Ordinary shares	12	46,356,492	25,856,492
Share premium		44,815,634	44,815,634
Retained earnings		(72,468,940)	(22,552,590)
Other reserves		48,146,221	24,835,001
Total shareholders' funds		<u>66,849,407</u>	<u>72,954,537</u>
Total liabilities		<u>62,953,751</u>	<u>82,870,434</u>
Total equity and liabilities		<u>129,803,158</u>	<u>155,824,971</u>

The notes on pages 13 to 25 are an integral part of these financial statements.

These financial statements on pages 13 to 25 were authorised for issue by the board of directors and were signed on its behalf by:



P. Bowie

Director

Date 30th September 2016

Company registered number: 07485626

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STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2015

	Called-up share capital £	Share premium £	Capital reserve £	Retained earnings £	Total shareholders' funds £
Balance at 1 January 2014	95,620	44,815,634	24,835,001	(16,226,974)	53,519,281
Loss for the financial year	-	-	-	(6,325,616)	(6,325,616)
Share issue	25,760,872	-	-	-	25,760,872
Balance at 31 December 2014	25,856,492	44,815,634	24,835,001	(22,552,590)	72,954,537
Balance at 1 January 2015	25,856,492	44,815,634	24,835,001	(22,552,590)	72,954,537
Loss for the financial year	-	-	-	(49,916,350)	(49,916,350)
Share issue	20,500,000	-	-	-	20,500,000
Capital contribution	-	-	23,311,220	-	23,311,220
Balance at 31 December 2015	46,356,492	44,815,634	48,146,221	(72,468,940)	66,849,407

In December 2015 Allegis Group (UK) Holdings Limited received a capital contribution of £23,311,220 from Allegis Group Holdings B.V.

In June 2015 20,500,000 ordinary shares of £1 each were issued to Allegis Group Holdings B.V.

The notes on pages 13 to 25 are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. General information

The general information has been included within the Directors' report on page 4 of this annual report and financial statements.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). These financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006.

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Allegis Group Holdings C.V, a company incorporated in the Netherlands. The consolidated financial statements can be obtained from the Dutch registrar (kvk).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. These areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS, in accordance with FRS 101, have been applied in the preparation of these financial statements:

- IFRS 7, 'Financial Instruments: Disclosures',
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities),
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - Paragraph 79(a)(iv) IAS 1;

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in the financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information)
 - 40A-D (requirements for a third statement of financial position),
 - 111 (cash flow information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosure' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group

2.1.1 Going concern

The group meets its day-to-day working capital requirements through its cash reserves and borrowings. The company forecasts and projections show that the group should be able to operate within the level of its current facilities. The directors have a reasonable expectation that the Group has adequate resources to enable the Company to continue in operational existence for the foreseeable future. A letter of support has been received from Allegis Group Holdings C.V. to this effect. The company therefore continues to adopt the going concern basis in preparing its financial statements. Further information on the company borrowings is given in note 11.

2.1.2 Changes in accounting policy and disclosures

The following standards have been adopted by the Company for the first time for the financial year beginning 1 January 2015 and have an impact on the Company:

- IAS 1 'Financial statements presentation' (amendment), (effective from 1 January 2015);

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.1.2 Changes in accounting policy and disclosures (continued)

- IAS 16 'Property, Plant and Equipment' (amendment), (effective from 1 January 2015);
- IAS 19, 'Employee Benefits' (amendment), (effective from 1 January 2015);

There are no other accounting standards that were effective for the first time for the financial year beginning that have had a material impact on the company's financial statements.

2.1.3 Foreign exchange translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pound Sterling' (£), which is also the Company's functional currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date. Exchange gains or losses are charged to the statement of comprehensive income at the point in which they arise. These are included in the "Administrative expenses" in the Statement of Comprehensive Income.

2.1.4 Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

2.1.5 Impairment of non-financial assets

Investments are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised at the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

The impairment losses are charged to the income statement and any subsequent increase in recoverable amount is recognised in the Statement of Comprehensive Income.

ALLEGIS GROUP (UK) HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.1.6 Prepayments and other receivables

Prepayments and other receivables are amounts due from customers for services performed in the ordinary course of the business. If collection is expected in one year or less, they are classified as current assets.

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are classified as borrowings included within current liabilities in the statement of financial position.

2.1.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.1.9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.1.10 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.1.11 Borrowing costs

Borrowing costs are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Any fees incurred on the establishment of borrowing facilities are recognised as transaction costs of the loan.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Critical accounting estimates and judgements

In preparing the financial statements, management has to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and expenses. The actual outcome may differ from these judgements, estimates and assumptions, and therefore could have a material effect on the carrying amount of the asset or liability involved. The timing of outflow of resources to settle the provisions is subject to the same uncertain factors. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

4. Administrative expenses

	2015	2014
	£	£
Professional fees	140,814	248,274
Fees payable to Company's auditors		
- Audit of these financial statements	44,097	-
Foreign exchange loss	12,078	69,463
Total administrative expenses	<u>196,989</u>	<u>317,737</u>

The Company does not have any employees for the year ending 31 December 2015 (2014: nil).

5. Directors' Emoluments

The directors received no emoluments in respect of their services to the Company (2014: nil). During the year, 1 (2014: 1) of the directors were remunerated by Allegis Group Limited and 1 (2014: 1) of the directors were remunerated by Allegis Global Solutions limited. No specific recharges are made.

6. Finance income and costs

	2015	2014
	£	£
Interest expense:		
- Bank borrowings	(707)	(2,258)
- Interest on loans with group undertakings	(5,254,709)	(6,547,868)
Finance costs	<u>(5,255,416)</u>	<u>(6,550,126)</u>
Finance income:		
- Interest income on short-term bank deposits	39,934	8,894
- Interest on loans with group undertakings	1,816,039	1,902,979
Finance income	<u>1,855,973</u>	<u>1,911,873</u>
Net finance costs	<u>(3,399,443)</u>	<u>(4,638,253)</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Income tax expense on ordinary activities

	2015 £	2014 £
Current tax:		
Current tax on profits for the year	-	-
Adjustments in respect of prior years	426,245	1,369,626
Total current tax	426,245	1,369,626
Total deferred tax	-	-
Income tax expense	426,245	1,369,626

The total tax charge (2014: charge) for the year is higher (2014: higher) than the standard effective rate of corporation tax in the UK of 20.25% (2014: 21.5%). The reconciliation of the effective tax rate is as follows:

	2015 £	2014 £
Loss before tax	(49,490,105)	(4,955,990)
Tax calculated at standard UK corporation tax rate of 20.25% (2014: 21.5%)	(10,021,746)	(1,065,538)
Tax effects of:		
- Permanent differences	9,293,468	-
- Expenses not deductible for tax purposes	-	6,468
- Group relief	728,278	1,059,070
- Adjustment in respect of prior years	426,245	1,369,626
Tax charge	426,245	1,369,626

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly the company's profit for this accounting year is taxed at a blended rate of 20.25%.

In addition to the changes in Corporation tax disclosed above, further changes to the UK Corporation tax rates were announced in the Finance (No.2) Bill 2015. These include proposals to reduce the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. These further changes were substantively enacted on 26 October 2015 and therefore have been included in the financial statements as the latest substantively enacted corporation tax rate at the statement of financial position date.

A further Corporation tax rate change was announced in the April 2016 Budget to further reduce the main rate to 17% from 1 April 2020. However, this has not been substantially enacted.

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8. Investments

	2015	2014
	£	£
Shares in group undertakings		
At 1 January	122,832,256	97,723,052
Additions	19,289,310	25,109,204
Impairment	(45,893,673)	-
At 31 December	<u>96,227,893</u>	<u>122,832,256</u>

In February 2015 Allegis Group (UK) Holdings Limited purchased \$3,156,000 ordinary 1 AUD share in Allegis Group Australia Pty Limited, for £1,550,000 (\$3,156,110).

In June 2015 Allegis Group (UK) Holdings Limited paid a capital contribution of £896,760 to Allegis Group GmbH, and then an additional £1,458,200 in December 2015.

In December 2015 Allegis Group (UK) Holdings Limited purchased one (1) ordinary share in Allegis Group (UK) Holdings II Limited for £13,000,000. During the year, Allegis Group (UK) Holdings Limited also performed a buy-back of A shares worth £2,384,350 from the non-controlling interest of Allegis Group (UK) Holdings II Limited.

The investment in Allegis Group Australia Pty Limited has been fully impaired in the year, as the investment value is not considered to be supported by the underlying assets of the entity.

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid.

All subsidiary undertakings are included in the consolidation of Allegis Group Holdings C.V. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

The Company has the following direct and indirect subsidiaries at 31 December 2015:

Name	Country of incorporation and place of business	Proportion of ordinary shares directly held by parent (%)	Nature of Business
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

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8. Investments (continued)

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
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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Investments (continued)

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

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9. Prepayments and other receivables

	2015	2014
	£	£
Amounts owed by group undertakings	2,530,550	2,795,008
Loan due from group undertaking	28,153,055	28,080,289
Deferred tax asset	1,315	1,315
Prepayments and accrued income	-	9,708
Less non-current portion: Loan due from group undertaking	(28,153,055)	(28,080,289)
	<u>2,531,865</u>	<u>2,806,031</u>

Amounts owed by group undertakings are unsecured, bear no interest and are repayable on demand.

Loan due from group undertakings is unsecured and subject to an interest rate of 6.75% per annum.

10. Creditors: amounts falling due within one year

	2015	2014
	£	£
Amounts owed to group undertakings	8	8
Corporation tax	416,537	-
	<u>416,545</u>	<u>8</u>

Amounts owed to group undertakings are unsecured, bear no interest and are repayable on demand.

11. Loans and other borrowings

	2015	2014
	£	£
Current		
Loans from group affiliates	524,855	1,800,841
Non-current		
Loans from group affiliates	<u>62,012,351</u>	<u>81,069,585</u>

Loans from group affiliates are unsecured and subject to an interest rate of 6.5% per annum.

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12. Share capital

	Number of shares	Ordinary shares £
At 1 January 2014	95,620	95,620
Share issue	25,760,872	25,760,872
Balance at 31 December 2014	25,856,492	25,856,492
Share issue	20,500,000	20,500,000
At 31 December 2015	46,356,492	46,356,492

In June 2015 20,500,000 ordinary shares of £1 each were issued to Allegis Group Holdings B.V.

The ordinary shares issued in the year have the same rights as other shares issued. There were no transaction costs relating to the issue of these shares.

13. Related party transactions

The Company is controlled by Allegis Group Holdings B.V. which owns 100% of the Company's shares. The Company's ultimate parent undertaking and largest group to consolidate these results is Allegis Group Holdings Inc, a Company incorporated in the United States of America.

The smallest group to consolidate these results is Allegis Group Holdings C.V., a Company incorporated in the Netherlands.

At 31 December 2015 the Company had the following balances with related parties.

£2,267,603 (2014: £693,979) due from Allegis Group Holdings C.V. Transactions charged to the statement of total comprehensive income totalled £1,573,624.

£207,041 (2014: £1,318,116) due from Allegis Group GmbH. Transactions credited to the statement of total comprehensive income totalled £1,111,075.

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14. Controlling parties

The immediate parent undertaking is Allegis Group Holding B.V.

The Company is controlled by Allegis Group Holdings B.V. which owns 100% of the Company's shares. The Company's ultimate parent undertaking and largest group to consolidate these results is Allegis Group Holdings Inc., a Company incorporated in the United States of America.

The smallest group to consolidate these results is Allegis Group Holdings C.V., a Company incorporated in the Netherlands. Copies of Allegis Group Holdings C.V. consolidated financial statements can be obtained from the Dutch registrar (kvk).

15. Transition to FRS101

This is the first year that the company has presented its results under FRS 101. The last financial statements under UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 101 was 1 January 2014. There are no differences in accounting policies which have generated a difference in profit for the financial year ended 31 December 2014 or the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 101.