

Angel Acquisitions Limited
Company number 8389984

Annual Report and Financial Statements

53 weeks ended

3 January 2016

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Angel Acquisitions Limited

Annual Report and Financial Statements for the 53 weeks ended 3 January 2016

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Angel Acquisitions Limited

DIRECTORS AND ADVISORS

Directors

M Dennis
M Phillips

Registered office

10 Old Bailey, London, EC4M 7NG

Company number

8389984

Auditor of Parent Company

Grant Thornton UK LLP, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP

STRATEGIC REPORT

The Group's ambition is to be a market leader working closely with local health authorities and private healthcare providers to deliver quality workforce solutions and help them achieve their objectives of delivering world class healthcare services.

Strategy

The Group's strategy is to align its service delivery to its clients, providing healthcare staff to high standards of clinical capability. In working with clients the Group develops solutions to deliver management control and workforce transparency enabling our clients to deploy their workforce efficiently and cost effectively.

In the UK the NHS Trusts represent a large part of the Group's market, supplemented by local authorities and private providers. The UK Group has aligned its service delivery to the NHS through the various framework agreements and each of its operating divisions has a place on most or all of the available frameworks. In Australia, the healthcare market has a different structure, being approximately half public and half private.

Across the Group our clients are seeking technology solutions. Our Managed Services division, HCL Clarity, offers our clients a range of workforce management solutions developed with our technology partner Skillstream. During the year the Group purchased a 50% interest in Skillstream's health and social care workforce management software. We are able to provide a fully integrated solution from e-rostering to agency management. The UK business has secured a number of Master Vendor and Neutral Vendor contracts in place and increased the number of contracts significantly in 2015.

In Australia, public healthcare provision is organised by State, and the Group is an approved panel supplier to all but two of the States in the country.

In June 2015 the company's subsidiary, Healthcare Australia, acquired the goodwill and business of Randstad Care in Australia for consideration of A\$5.4m. This acquisition cements HCA's number one position in the Australian Health & Aged Care locum market and adds to our capacity, as well as enhancing our offering to better service our candidates and clients.

Business Performance

The Group reported revenue for the year of £184.6m (2014: £168.0m) and the adjusted EBITDA* for the year was a profit of £0.2m (2014: loss of £0.2m).

The reported loss from continuing operations was £3.9m (2014: £4.8m) after exceptional operating expenses.

The board monitors performance closely throughout the year. The principal financial indicators for operations are gross margin per head, contribution per head and gross margin conversion to contribution.

STRATEGIC REPORT (continued)

The KPI data as stated above are disclosed in the table below:

**Adjusted EBITDA is defined as EBITDA before exceptional items.*

UK

	53 w/e 03.01.16	52 w/e 28.12.14
Gross profit per head £000's	77	76
Contribution per head £000's	25	26
Gross profit conversion to contribution	32%	34%

The UK business invested in a number of areas in 2015 and continues to drive for efficiency across all divisions. The figures in the table above are stated before these investments. Gross profit per head in operations increased by 2.0%, while contribution per head fell by 2.0%. Contribution is defined as gross profit less divisional costs.

The table below summarises UK trading performance:

	53 w/e 03.01.16 £m	52 w/e 28.12.14 £m
Revenue	93.4	91.8
Gross profit	18.0	17.9
Gross profit %	19.3%	19.5%
Divisional costs	(11.9)	(11.3)
Central costs (excl. depreciation & amortisation)	(7.6)	(9.6)
Adjusted EBITDA – UK	(1.5)	(3.0)

Australia

	53 w/e 03.01.16	52 w/e 28.12.14
Gross profit per head £000's	89	87
Adjusted EBITDA per head £000's	21	17
Gross profit conversion to adjusted EBITDA	24%	20%

The KPI's in the table above are calculated on the same premise as those defined in the UK. The figures are based on the presentational currency figures stated below.

The Australian business performed strongly in 2015 and this performance was enhanced by the acquisition of the Australian activities of Randstad Care in June 2015. Revenue, gross profit, and EBITDA all grew on a constant currency basis.

The acquired Care business delivered A\$18.0m of revenue, A\$3.3m of gross profit and A\$1.1m of EBITDA in the seven months of ownership in 2015. The consideration of \$A5.4m has been recognised in the balance sheet at the provisional fair values of \$A5.1m of customer contracts, \$A0.4m of goodwill and A\$0.1m of sundry liabilities taken on.

STRATEGIC REPORT (continued)

The table below summarises trading performance in Australia:

	Presentational currency 53 w/e 03.01.16 £m	Constant currency 53 w/e 03.01.16 £m	Prior year 52 w/e 28.12.14 £m
Revenue	91.2	98.4	76.2
Gross profit	16.5	17.8	14.0
Gross profit %	18.1%	18.1%	18.4%
Operating expenses (excluding depreciation & amortisation)	(14.0)	(15.1)	(11.2)
Adjusted EBITDA – Australia	2.5	2.7	2.8

Capital Structure

Following a capital restructure completed in December 2015, the company's capital structure consists of ordinary shares and fixed return shares owned jointly by the two shareholders, Tosca Opportunity (Tosca) and Ares Capital Europe (Luxembourg) Sarl (Ares). The fixed return shares have no dividend rights and no voting rights.

In August 2014, Tosca and Ares, the owners of Angel Acquisitions, provided loan capital to the Group to repay A\$18.7m (£10.3m) of the sum then outstanding of A\$57.0m (£31.5m) syndicated facilities agreement. Tosca and Ares purchased the balance of the facility. In December 2015 the loan was forgiven.

On 15 June 2015, Healthcare Locums Ltd entered into a 3 year £18m invoice financing facility. Healthcare Australia Pty Limited is expected to complete a similar 3 year, A\$20m facility during August. The purpose of these facilities is to enable the repayment of the loan made by the shareholders of Angel Acquisitions Limited in August 2014 and to provide working capital facilities to fund future growth.

These transactions leave the Group's capital structure in a simpler, more stable position. Further details of the Company's funding structure can be found in notes 16 and 19 of the financial statements.

Principal Risks and Uncertainties

The Board considers the principal risks facing the business as part of the annual budgeting process and quarterly re-forecasting exercises.

The principal risks and uncertainties currently judged to have the largest potential impact on the Group's financial performance and reputational standing are described below:

Risk

Availability of Finance

The Group is dependent on the continuing availability of finance from its shareholders. In August 2014 the shareholders loaned the Group £16.1m to fund part repayment of various bank loans and purchased the remaining loan from the banks. This £16.1m loan is due for repayment by 31st December 2017 and carries no financial covenants. Invoice finance facilities completed in 2015 ensure the Group has adequate financing for the foreseeable future.

STRATEGIC REPORT (continued)

Relationships with Key Customers

Customer relationships and compliance with contract terms are essential to the Group's performance. In the UK the majority of the Group's revenue comes from the NHS through the framework agreements. In Australia the Group is an approved "Panel" supplier of agency nurses to the public health system. Both public and private sector contracts in the UK and Australia contain Key Performance Indicator targets and may include termination rights if targets are not met.

The NHS has recently introduced caps on pay rates and charge rates for locum provision and has been significantly restricted in its use of off framework supply. While the Group anticipates volume growth as off framework provision is transferred to framework suppliers, such as the Company's subsidiary Healthcare Locums, the average margin per hour could fall as a result of the rate caps. At present it is not clear to what extent each of these factors will impact on the Group's trading. These uncertainties have been factored into our goodwill impairment review as outlined in Note 11.

Clinical Governance and Compliance

The Group has obligations under contracts, and in some circumstances under legislation to supply locums to specified standards of clinical capability and to make checks before locums are placed in roles. These Compliance requirements are extensive in many cases. Failure to complete and maintain those checks could lead to legal, financial and reputational consequences.

IT Systems and Security

The Group relies on computer systems to deliver its services to customers. Any material disruption to these systems will impact revenues as lost time for locum supplies cannot be replaced.

Exchange Rate

The Group's operations are principally located in the UK and Australia. Local revenues are accounted for in local currency. The presentational currency of the Group is Sterling.

The Sterling value of the Australian results depends on the exchange rate used to translate the results of overseas operations. The Group's bank debt, which was settled in August 2014, was denominated in Australian Dollars and the Sterling value fluctuates with the exchange rate to Sterling. Foreign exchange risk is described more fully in Note 19.

Potential Impact from Past Events, including Litigation

As described in Note 22, a claim by certain US investors has been filed in the State of New York against the Company's subsidiary, Healthcare Locums Ltd and certain of its former directors.

Whilst the Board has been advised that it is unlikely any judgement would be recognised as enforceable in either the UK or Australia because of a lack of jurisdiction, should this advice be incorrect, an adverse ruling could result in a material loss for the Group.

Approved by the Board and signed on its behalf by



Michael Dennis

Director

2nd June 2016

REPORT OF THE DIRECTORS

Principal Activities

The principal activity of the Group is that of providing workforce solutions to the healthcare and social care sectors. The Board's intention is that this will remain the business of the Group for the foreseeable future.

The Group's trading subsidiary undertakings principally listed in Note 31 to the Financial Statements along with other non-trading and dormant members of the Group.

Future Developments

All future developments are covered in the Strategic Report.

Dividends

No dividends were paid in the 53 weeks ended 3 January 2016 and the Directors are not proposing a final dividend for the period.

Financial Risk Management Objectives and Policies

The Group's objectives and policies in respect of financial risk management and associated risks are set out in Note 19, Financial Instruments.

Disabled Persons

The Group's and the Company's policy is to consider the applications of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee Involvement

The Group's policy is to consult and discuss with employees and employee engagement forums on matters likely to affect employees' interests. Healthcare Locums Ltd has an employee forum that meets periodically to consider such matters. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

Going Concern

The Company's and the Group's strategy, business activities and review, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic Report on pages 2 to 5. The improved capital structure following the December 2015 capital reorganisation is set out in the Strategic Report on pages 2 to 5. Together with the UK's £18m invoice finance facility and the A\$20m facility in Australia, the Group has adequate financing for the foreseeable future. Principal risks and uncertainties are described on pages 4 to 5. In addition, the Group has certain contingent liabilities, as described in Note 22 to these financial statements.

The Group prepares regular business forecasts and monitors its projected cash flow requirements. The forecasts are reviewed by the Board. They are then flexed to reflect more conservative views on revenues and margins, and take into account management actions which could be taken to contain costs in these circumstances.

REPORT OF THE DIRECTORS (continued)

These forecasts indicate that the Group plans to operate within its current facilities for the foreseeable future, being a period of at least twelve months from the date of approval of this financial information. The forecasts, however, assume no liability in respect of the US litigation during the review period, nor in respect of any of the other contingent liabilities described in Note 22.

Having taken account of the above, the Directors have a reasonable expectation that the Company and the Group will have access to adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The Directors who served during the period and to the date of this report are as follows:

Director	Position
Mark Phillips	Director
Michael Dennis	Director

Directors' Indemnities and Insurance

Directors and Officers of the Company and its subsidiaries benefit from Directors' and Officers' liability insurance cover in respect of legal actions brought against them. In addition, Directors of the Company are indemnified in accordance with the Company's Articles of Association, to the maximum extent permitted by law. Neither the insurance nor the indemnities provide cover where the relevant Director or Officer has acted fraudulently or dishonestly. The US litigation, against the Company and its former directors, as referred to in Note 22, may not be covered under the existing Directors' and Officers' liability insurance cover. This is because the Plaintiffs' arguments revolve around the alleged dishonesty or misleading conduct of former directors. None of the current Directors are a party to this claim.

Related Party Transactions

Details of related party transactions, including transactions with close family members of former directors, are set out in Note 25 to the financial statements.

Disclosure of Audit Information

As required by Section 418 (2) of the Companies Act 2006, each of the Directors confirms that, as at the date this report was approved, so far as each Director is aware there is no relevant audit information of which the Independent Auditor is unaware and that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant information and to establish that the Independent Auditor is aware of that information.

Auditor

In accordance with section 485 of the companies' act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Grant Thornton UK LLP as auditors. Marc Summers is the Senior Statutory Auditor.

REPORT OF THE DIRECTORS (continued)

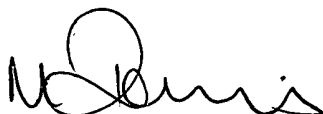
Cautionary Statement

A Company's Annual Report is required, among other matters, to contain a fair review by the Directors of the Group's business, through a balanced and comprehensive analysis of the development and performance of the business of the Group and the position of the Group at the year end, consistent with the size and complexity of the business. The Directors' Report and the Strategic Report have been prepared only for the shareholders of the Company as a whole, and their sole purpose and use is to assist shareholders to exercise their governance rights. In particular, the Directors' Report, and the Strategic Report have not been audited or otherwise independently verified. The Company and its Directors and employees are not responsible for any other purpose or use or to any other person in relation to the Annual Report.

These Reports and Statements contain indications of likely future developments and other forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and business segments in which the Group operates. These factors include, but are not limited to, those discussed under Principal Risks and Uncertainties in the Strategic Report.

These and other factors could adversely affect the Group's results, strategy and prospects. Forward-looking statements involve risks, uncertainties and assumptions. They relate to events and/or depend on circumstances in the future which could cause actual results and outcomes to differ materially from those currently anticipated. No obligation is assumed to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Approved by the Board and signed on its behalf by



Michael Dennis
Director
2nd June 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

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

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

The directors confirm that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

- the group financial statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board:



Michael Dennis
Director

2nd June 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGEL ACQUISITIONS LIMITED

We have audited the group financial statements of Angel Acquisitions Limited for the 53 weeks ended 3 January 2016 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the parent company balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows, the accounting policies and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS101 "Reduced Disclosure Framework".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities on page 9, the directors are responsible for the preparation of the group 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 Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- 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 3 January 2016 and of the Group's loss for the 53 weeks then ended;
- the Group financial statements have been properly prepared in accordance with IFRS, as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company; or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ANGEL ACQUISITIONS LIMITED (continued)**

Grant Thornton UK LLP

Marc Summers, FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
London
7 June 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **FOR THE 53 WEEKS ENDED 3 JANUARY 2016**

		53 weeks ended 3 January 2016	52 weeks ended 28 December 2014
	Notes	£m	£m
Revenue		184.6	168.0
Cost of sales		(150.1)	(136.1)
Gross profit		34.5	31.9
Operating expenses		(37.6)	(35.8)
Highlighted items:			
Net exceptional operating expenses	6	(0.8)	(0.9)
Total operating expenses		(38.4)	(36.7)
Loss from operations	7	(3.9)	(4.8)
Finance income	8	19.5	0.3
Finance expense	8	(3.1)	(2.9)
Profit / (loss) before taxation from continuing operations		12.5	(7.4)
Tax benefit / (charge) from continuing operations	9	0.8	(1.4)
Profit / (loss) for the year attributable to the owners of the parent		13.3	(8.8)
Other comprehensive income:			
Items that may be reclassified subsequently to profit & loss			
Translation adjustment		1.3	0.7
Total other comprehensive income		1.3	0.7
Total comprehensive profit/(loss) for the year attributable to the owners of the parent		14.6	(8.1)

The Consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing.

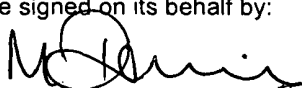
The Notes are an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **AS AT 3 JANUARY 2016**

		3 January 2016	28 December 2014
	Notes	£m	£m
ASSETS			
Non-current assets			
Goodwill	11	10.6	10.4
Other intangible assets	12	21.9	21.0
Property, plant and equipment	13	0.9	1.0
		<u>33.4</u>	<u>32.4</u>
Current assets			
Trade and other receivables	14	27.3	23.1
Cash and cash equivalents		0.6	8.6
		<u>27.9</u>	<u>31.7</u>
Total assets		61.3	64.1
LIABILITIES			
Current liabilities			
Trade and other payables	15	(19.0)	(16.4)
Current portion of long term borrowings	16	(1.1)	-
Provisions	17	(1.6)	(1.8)
		<u>(21.7)</u>	<u>(18.2)</u>
Non-current liabilities			
Borrowings	16	(17.5)	(40.0)
Deferred tax liability	18	(3.1)	(4.1)
Provisions	17	(1.4)	(1.0)
		<u>(22.0)</u>	<u>(45.1)</u>
Total liabilities		(43.7)	(63.3)
TOTAL NET ASSETS		17.6	0.8
SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO THE OWNERS OF THE PARENT			
Share capital	20	-	15.4
Share premium reserve	21	2.7	2.7
Capital redemption reserve	21	15.4	-
Equity reserve	21	137.5	135.3
Translation reserve	21	5.4	4.1
Retained loss	21	(143.4)	(156.7)
TOTAL EQUITY		17.6	0.8

The Notes are an integral part of these Financial Statements.

The Financial Statements were approved and authorised for issue by the Board of Directors on 2 June 2016 and were signed on its behalf by:



Michael Dennis

Director

Company number: 8389984

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 53 WEEKS ENDED 3 JANUARY 2016

	53 weeks ended 3 January 2016 £m	52 weeks ended 28 December 2014 £m
Cash flows from operating activities		
Profit/(loss) for the year	13.3	(8.8)
Adjustments for:		
Depreciation of property, plant and equipment	0.5	0.5
Amortisation of intangible assets	2.8	3.2
Profit on disposal of intangible assets	-	(0.4)
Finance income	(19.5)	(0.3)
Finance expense	3.1	2.9
Corporation tax charge	(0.8)	1.4
Cash flows from operating activities before changes in working capital	(0.6)	(1.5)
Changes in receivables	(5.3)	(3.4)
Changes in payables and provisions	2.4	(0.4)
Cash used in operations	(3.5)	(5.3)
Corporation tax received	-	-
Net cash flows used in operating activities	(3.5)	(5.3)
Investing activities		
Disposal of MPS trade and assets	-	1.6
Disposal of intangible fixed assets	-	0.4
Disposal of property, plant and equipment	-	0.2
Acquisition of property, plant and equipment	(0.3)	(0.4)
Acquisition of intangible assets	(4.6)	(0.7)
Net cash (used in) /generated from investing activities	(4.9)	1.1
Financing activities		
Repayment of borrowings	-	(10.5)
New loans	-	21.2
Interest and similar expenses paid	-	(2.9)
Invoice finance facility movement	0.4	-
Net cash from financing activities	0.4	7.8
Net (decrease)/increase in cash and cash equivalents	(8.0)	3.6
Cash and cash equivalents at the beginning of the year	8.6	5.0
Cash and cash equivalents at the end of the year	0.6	8.6

The Notes are an integral part of these Financial Statements.

Angel Acquisitions Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital redemption reserve	Equity & other reserve	Translation reserve	Retained loss	Total
	£m	£m	£m	£m	£m	£m	£m
Balance at 29 December 2013	11.4	2.7	-	135.3	3.4	(147.9)	4.9
Issue of ordinary shares	4.0						4.0
Transactions with owners	4.0	-	-	-	-	-	4.0
Loss for the year	-	-	-	-	-	(8.8)	(8.8)
Other comprehensive income	-	-	-	-	0.7	-	0.7
Balance at 28 December 2014	15.4	2.7	-	135.3	4.1	(156.7)	0.8
Cancellation of ordinary shares	(15.4)	-	15.4	-	-	-	-
Transactions with owners	(15.4)	-	15.4	-	-	-	-
Profit for the year	-	-	-	-	-	13.3	13.3
Conversion of 0% loan notes	-	-	-	2.2	-	-	2.2
Other comprehensive income	-	-	-	-	1.3	-	1.3
Balance at 3 January 2016	-	2.7	15.4	137.5	5.4	(143.4)	17.6

The Notes are an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Angel Acquisitions Ltd is a Company incorporated in the United Kingdom under the Companies Act 2006 ("the Act"). The registered office is 10 Old Bailey, London EC4M 7NG. The nature of the Group's operations and its principal activities are set out in the Report of the Directors on page 6 to 8 and in the Strategic Review on pages 2 to 5.

The primary financial statements and the majority of figures in the notes are presented in Pounds Sterling ("£") because that is the currency of the primary economic environment in which the Group operates. Where it is considered useful and appropriate, certain figures for the operations of the Australian business are disclosed in the notes in Australian Dollars ("A\$").

Overseas operations are included in accordance with the policies set out in Note 3.

The Group's standard accounting period is mostly 52 weeks ending on the Sunday closest to 31 December. The reporting period ended on 3 January 2016 was 53 weeks. This ensures the statutory reporting timetable is in line with the management reporting cycle.

2 ADOPTION OF NEW AND REVISED STANDARDS

New standards and interpretations currently in issue but not effective, based on EU mandatory effective dates, for accounting periods commencing on 1 January 2015 are:

IFRS 9 Financial Instruments (IASB effective date 1 January 2018)

IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016)

IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017)

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (IASB effective date 1 July 2014)\$\$

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (IASB effective date 1 January 2016)

Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (IASB effective date 1 January 2016)

Amendments to IAS 16 and IAS 41: Bearer Plants (effective 1 January 2016)

Amendments to IAS 27: Equity Method in Separate Financial Statements (effective 1 January 2016)

Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception

Disclosure Initiative: Amendments to IAS 1 Presentation of Financial Statements

\$\$ EU mandatory effective date is financial years starting on or after 1 February 2015.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU").

The Consolidated Financial Statements have been prepared under the historical cost basis, except for derivative financial instruments which are stated at their fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

(b) Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries) made up to the Sunday closest to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary the accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(c) Going concern

The Company's and Group's strategy, business activities and review, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic Report on pages 2 to 5. The improved capital structure following the capital reorganisation in December 2015 is also set out in the Strategic Report on pages 2 to 5. Together with the £18m invoice finance facility in the UK and the A\$20m in Australia, the Group has adequate financing for the foreseeable future. Principal risks and uncertainties are described on pages 4 to 5. In addition, the Group has certain contingent liabilities, as described in Note 22 to these financial statements.

The Group prepares regular business forecasts and monitors its projected cash flow requirements. The forecasts are reviewed by the Board. They are then flexed to reflect more conservative views on revenues and margins, and take into account potential management actions to contain costs in these circumstances.

These forecasts indicate that the Group plans to operate within its current facilities for the foreseeable future, being a period of at least twelve months from the date of approval of this financial information. The forecasts assume no liability in respect of the US litigation during the review period, nor in respect of any of the other contingent liabilities described in Note 22.

Having taken account of the above, the Directors have a reasonable expectation that the Company and the Group will have access to adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(d) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are expensed as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 – Income Taxes and IAS 19 – Employee Benefits respectively; and
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 – Share-based Payment.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed at the acquisition date, and is subject to a maximum of one year.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue recognition

Revenue represents the amounts earned from the provision of services to external customers during the reporting period – the time of provision of services being the point at which the amount of revenue can be measured reliably and when it is probable that the economic benefits will flow to the Group. Revenue is stated at invoiced amounts less value added tax or local taxes on sales, plus revenue earned but unbilled which is included as accrued income in trade and other receivables.

- Revenue from temporary placements, which represents revenue for the services of temporary staff, is recognised when the services have been provided. Revenue includes the salary costs of the temporary staff unless paid directly by the client in which case revenue represents commission only.
- Revenue from permanent placements is recognised at the date when a candidate commences work. Appropriate provision is made for the expected cost of meeting obligations where employees do not work for the specified contractual period.

(f) Foreign currency

On consolidation, the results of overseas operations are translated into Sterling at average rates. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the period end. All exchange differences arising on translation are recognised in the Consolidated Statement of Other Comprehensive Income and accumulated in the translation reserve.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(g) Employee benefits

Contributions to the Group's defined contribution pension schemes are charged to the Consolidated Statement of Comprehensive Income in the period in which they become payable.

The liability for Long Service Leave in respect of employees in Australia is recognised by way of a provision and measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future benefits payable more than 12 months after the period-end are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Where data specific enough to calculate a provision as described above is not available, provision is made for Long Service Leave on an estimated basis (Note 17).

(h) Taxation

The charge for current taxation is provided at rates of corporation tax that have been enacted or substantively enacted by the reporting date. Current tax is based on taxable profits for the year and any adjustments to tax payable in respect of previous years. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is provided, using the liability method, on all temporary differences which result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Temporary differences arise between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The exceptions, where deferred tax assets are not recognised nor deferred tax liabilities provided, are:

- at initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the Consolidated Statement of Comprehensive Income as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount, being the value in use or – where reliably measurable - fair value less costs to sell, of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(j) Other intangible assets

Intangible assets (other than goodwill) acquired by the Group as part of a business combination are stated at fair value and are amortised on a straight-line basis over their expected useful lives, commencing on the date they come into use. The amortisation is shown as part of operating expenses within the Consolidated Statement of Comprehensive Income.

Internally generated intangible assets arising from the Group's development of software are recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

The estimated useful lives are as follows:

Customer relationships	Over the contractual term or 6 years in the absence of a specified term
Contractual rights	- Over the estimated useful life of 2-5 years
Computer software	- 3 to 5 years
Acquired candidate database	- 3 to 10 years
Brands/trademarks	- 20 years
Non-compete agreements	- 5 years

Intangible assets, other than goodwill, with indefinite lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When the carrying amount of an asset exceeds its recoverable amount, being the value in use or – where reliably measurable - fair value less costs to sell, the asset is written down accordingly. Impairment of other intangible assets is included in total operating expenses as a highlighted item in the Consolidated Statement of Comprehensive Income.

(k) Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs. All items are subsequently stated at cost less accumulated depreciation and any impairment loss.

Depreciation is provided on a straight-line basis to write off the cost, less estimated residual values, of property, plant and equipment over their expected useful lives. It is calculated at the following rates:

Improvements to leasehold buildings	- Over the lease term
Office and computer equipment	- 3 to 8 years
Motor vehicles	- 4 years

An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events has had a negative effect on the estimated future cash flows of that asset. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously provided for are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit and loss.

(m) Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a 'finance lease'), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease, each determined at the inception of the lease. The corresponding lease commitment is shown in the Consolidated Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the finance lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the profit or loss.

All other leases are treated as operating leases. Their annual rentals are charged to the Profit and Loss account on a straight-line basis over the term of the lease.

(n) Sales ledger credits

From time to time in the United Kingdom the Group receives payments which are in excess of the amounts which the Group's accounting records show as due. The reasons include duplicate payments, credit notes not taken by customers and payments by customers who are "self billing" which are higher than our calculation of the amounts due. These matters are investigated and wherever possible the overpayments are resolved with the paying client and appropriate accounting entries made. If, after actively seeking to resolve the balance, it remains unresolved beyond the period set out in the Statute of Limitations (six years), the amount is credited to the profit or loss. The balance of sales ledger credits at the period end is shown within creditors.

(o) Financial instruments

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provision of the instrument.

The Group classifies its financial assets and liabilities into one of the following categories, depending on the purpose for which the asset or liability was acquired. The Group's accounting policy for each category is as follows:

Financial assets:

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (trade receivables). They are initially recognised at fair value plus transaction costs and subsequently at amortised cost. Impairment provisions are recognised where there is evidence that the Group will be unable to collect all of the amounts due under the terms of the receivable. Trade receivables are reported net of impairment provisions, which due to the nature of the customer base are not significant. The Group's receivables that are financial assets comprise trade and other receivables, excluding prepayments, in the Consolidated Statement of Financial Position.

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within current liabilities in the Consolidated Statement of Financial Position and are included within cash and cash equivalents for the purposes of the Consolidated Statement of Cash Flows.

Derivative financial instruments:

Derivatives, including the embedded derivative within the Zero Coupon Loan Note, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value through the profit and loss unless the derivative is designated in a hedging relationship.

There were no new derivative financial instruments entered into during the 52 weeks ended 28 December 2014 that were effective hedges and therefore hedge accounting was not applied.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Other financial liabilities:

Trade payables and other short-term monetary liabilities: These are initially recognised at fair value and subsequently at amortised cost.

Zero coupon loan notes: These are initially recognised at fair value, being the present value at the time of issue of future cash payments to extinguish the instrument. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

8% coupon loan notes: These are initially recognised at nominal value at the date of issue. Interest is then charged using the effective interest rate method that compounds the loan note balance over the period of time until the loan note matures.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Bank and other borrowings: These liabilities are initially recognised at the amount advanced net of any transaction costs directly attributable to the issue of the instrument. The costs of raising the financing are offset against the loan amount and are amortised over the term of the loan and are included within finance costs on the face of the Consolidated Statement of Comprehensive Income. When loans are refinanced, drawings under the existing facilities are either extinguished or modified. Where facilities are extinguished the balance of unamortised fees are written off to Finance Expense. Where modified, the unamortised fees are carried forward in the Consolidated Statement of Financial Position to be written off over the term of the modified facilities.

(p) Provisions and contingent liabilities

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the date of the Consolidated Statement of Financial Position, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

Contingent liabilities are possible obligations which arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Provision is not made for any liability which could arise in the future, but significant contingent liabilities are reported in Note 22.

(q) Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary and preference shares are classified as equity instruments.

(r) Dividends

Final dividends are recognised as a liability in the year in which they are declared and approved by the Company's shareholders in the annual general meeting. Interim dividends are recognised when they are paid.

(s) Parent company

The Financial Statements of the parent company Angel Acquisitions Limited have been prepared in accordance with UK GAAP. The Company Financial Statements are presented separately on pages 41 to 48.

(t) Highlighted items

Where certain items of operating expense or income recorded in a period are material by their size or incidence, the Group reflects such items as highlighted items and these are shown separately in the Consolidated Statement of Comprehensive Income and disclosed in detail in the Notes to the Financial Statements. Highlighted items may include costs associated with restructuring the business, incremental costs of staff working directly on restructuring and refinancing, one off gains and losses, impairment of goodwill and intangible assets. In addition amounts of finance income or expense which are material by their size or incidence are disclosed in detail in the Notes to the Financial Statements.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Adjusted operating profit and adjusted EBITDA

Adjusted operating profit is operating profit before highlighted items. The Board considers adjusted operating profit to be a better indicator of performance than operating profit as highlighted items, being exceptional in their nature by virtue of size or incidence, distort the results of the underlying business. Adjusted EBITDA is adjusted operating profit before charging depreciation and amortisation.

(v) Critical accounting judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Measurement of intangible assets. The allocation of the purchase price for acquisitions requires management to make significant estimates in determining fair values, especially for intangible assets and, until finally determined, contingent consideration. These estimates are based on historical experience, information obtained from the management of the acquired businesses, relevant market and industry data and the forecast performance of the acquired businesses. These estimates can include, but are not limited to, the cash flows that an asset is expected to generate in the future, the appropriate discount rate and the useful lives of intangible assets. These estimates are inherently uncertain and unanticipated events and circumstances may occur, which may affect the accuracy or validity of such estimates. Management monitors the carrying values of assets and adjustments are made if anticipated future market conditions indicate that such adjustments are appropriate.

Impairment of goodwill and intangible assets. The Group is required to test, on at least an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on the higher of value in use calculations or the fair value less costs to sell method. These both require the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Actual outcomes may vary. More information on the carrying amount of goodwill is included in Note 11 and 12.

Contractual claims and regulatory contingencies. The Group conducts its business principally in the UK and Australia and contractual claims or regulatory proceedings may arise. The Group estimates and provides for potential losses that may arise out of litigation and regulatory proceedings to the extent that such losses are probable and can be estimated in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. Contingencies in respect of these matters are subject to many uncertainties and the outcome of individual matters is not predictable with assurance. Significant judgment is required in assessing probability and making estimates in respect of contingencies, and the Group's final liability may ultimately be materially different from that estimated. Provisions in respect of legal claims, contractual and regulatory proceedings are determined on a case by case basis and represent an estimate of probable losses after considering, among other factors, the progress of each case, the Group's experience of others in similar cases and the views of legal counsel. Where no estimate can be reliably made of the likely outcome of any claims, and they are potentially material, those claims are disclosed as contingent liabilities (Note 22).

Uncertain tax positions. Uncertain tax positions may arise where the Directors have had to make particular judgments in relation to certain tax treatments. Based on the status of enquiries with the relevant tax authorities and consideration of tax legislation, the Group estimates and provides for potential losses that may arise from uncertain income tax positions to the extent that such losses are probable and can be estimated, in accordance with IAS 12 – Income Taxes. However, significant judgment is required in making these estimates, particularly in relation to the recovery of losses, and the Group's final liabilities may ultimately be materially different.

Estimation of useful economic lives of long-lived assets. The economic life used to amortise intangible assets and depreciate property, plant and equipment relates to the future performance of the assets in question and management's judgment of the period over which the economic benefit will be derived from the asset.

As at 3 January 2016, the amount of property, plant and equipment included in the Consolidated Statement of Financial Position was £0.9m (2014: £1.0m).

As at 3 January 2016, the amount of intangible assets included in the Consolidated Statement of Financial Position was £21.9m (2014: £21.0m).

Employee benefits provision. In Australia employees, including locums, are entitled to long service leave after 10 years service (subject to specific rules and conditions which vary state by state). In determining the amount of the employee benefits provision, representing the value of expected future payments to be made in respect of services provided by employees up to the date of the Consolidated Statement of Financial Position, the Directors consider salary levels, the past experience of employee departures and periods of service. As at 3 January 2016, the amount provided for in the Consolidated Statement of Financial Position was £2.5m (2014: £2.1m) (Note 17).

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Zero Coupon Loan Notes. The Zero Coupon Loan Notes were issued during 2011 as part of a Refinancing. The nominal value of the Zero Coupon Loan Notes was discounted to fair value at a rate of 15% which the Directors considered fairly represented the return a non-senior lender would seek from the Company for a loan maturing in September 2021. The Zero Coupon Loan Notes were converted to share capital in 2015. No gain or loss was recognised in the profit and loss.

Shareholder Loans. The shareholder loans were issued during 2014 to enable the group to negotiate a settlement of the outstanding loan amounts owed to two Australian banks. The loans have been provided to the group on an arm's length basis and state the interest to be either 5% or 6% and also define the repayment date. The board consider the terms of these loans to be on par with market rates at the time they were issued as well as being comparable to the loan they replaced.

4 EMPLOYEES

	53 weeks ended 3 January 2016 £m	52 weeks ended 28 December 2014 £m
Staff costs (including Directors) comprise:		
Wages and salaries	19.8	19.0
Social security costs	1.6	1.7
Long service leave costs	0.1	-
Defined contribution pension costs	1.0	0.8
	22.5	21.5

	53 weeks ended 3 January 2016	52 weeks ended 28 December 2014
The average number of employees during the year was	493	463

5 DIRECTORS' REMUNERATION

The directors did not receive any remuneration from the company.

6 NET EXCEPTIONAL OPERATING EXPENSES

	53 weeks ended 3 January 2016 £m	52 weeks ended 28 December 2014 £m
Exceptional operating (income) / expense:		
Reorganisation and refinancing costs:		
Restructuring & refinancing costs	0.4	1.4
Restructuring - employee costs	0.2	0.1
Lease buy out and other property costs	-	0.2
	0.6	1.7
Profit on the sale of trade and fixed assets of MPS Healthcare	-	(0.4)
Care business acquisition expenses	0.3	-
Release of unpaid green slips	(0.1)	(0.4)
Net exceptional operating expenses	0.8	0.9

The main exceptional costs relate to the purchase of the Care business in Australia and the costs incurred to set up an invoice finance facility in both UK and Australia.

The tax effect of the above exceptional items is £nil (2014: £nil).

7 LOSS FROM OPERATIONS

Loss from operations for the year has been arrived at after charging the following:

	53 weeks ended 3 January 2016 £m	52 weeks ended 28 December 2014 £m
Amortisation of intangible assets (Note 12)	2.8	3.2
Depreciation of property, plant and equipment (Note 13)	0.5	0.5
Hire of other assets – operating leases	1.9	1.4
Fees payable to the Company's auditor for:		
- audit of the Company's annual accounts	-	-
- audit of the Company's subsidiaries	0.1	0.1
- tax advisory services	0.1	0.1

8 FINANCE INCOME AND EXPENSE

	53 weeks ended 3 January 2016 £m	52 weeks ended 28 December 2014 £m
Finance income		
Gain on fair value changes in derivative financial instruments	-	0.3
Other	0.2	-
Debt forgiveness	19.3	-
	19.5	0.3

	52 weeks ended 28 December 2014 £m	52 weeks ended 28 December 2014 £m
Finance expense		
Exceptional finance expense:		
Advisers and other fees regarding refinancing	0.2	0.1
	0.2	0.1
Bank loans and overdrafts	-	1.0
Amortisation of fees	-	0.4
Shareholder loan interest	1.0	1.0
Imputed interest on Loan Notes	0.3	0.3
Other	1.6	0.1
	3.1	2.9

The Group does not apply cash flow hedge accounting to derivative financial instruments. Accordingly, all changes in the fair values of derivative financial instruments are recognised in the Consolidated Statement of Comprehensive Income.

The exceptional item included in the finance income in the 53 weeks ended 3 January 2016 was the debt forgiveness. This was shareholder debt that had been purchased by the shareholders from third parties in the previous period (see Note 19 for further details).

9 TAX BENEFIT

	53 weeks ended 3 January 2016 £m	52 weeks ended 28 December 2014 £m
Deferred tax		
Origination and reversal of temporary differences	(0.8)	1.4
	(0.8)	1.4
Total tax (benefit)/charge on continuing operations	(0.8)	1.4

The tax (benefit) / charge assessed for the period is lower than the standard rate of corporation tax in the UK for the 53 weeks ended 3 January 2016. The differences are explained below:

	53 weeks ended 3 January 2016 £m	52 weeks ended 28 December 2014 £m
Profit/(loss) before taxation	12.5	(7.4)
Tax at the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%)	2.5	(1.6)
Effects of:		
Expenses not deductible for tax purposes	0.5	0.6
Income not taxable for tax purposes	(6.3)	-
Fixed asset differences	0.2	-
Utilisation of unrecognised tax losses	(0.2)	-
Tax losses utilised	-	1.0
Timing differences	-	0.1
Prior period adjustments	0.1	-
De-recognised deferred tax assets	-	1.5
Movement in unrecognised deferred tax	(0.1)	-
Movement in UK deferred tax rates	0.8	-
Impact of overseas tax rates	1.7	(0.2)
Total tax (benefit) / charge for the year	(0.8)	1.4
Represented by:		
Tax on continuing operations	(0.8)	1.4
	(0.8)	1.4

10 DIVIDENDS

The Directors do not propose an interim or final dividend for the period ended 3 January 2016 (2014: no interim or final dividends).

11 GOODWILL

	Total £m
Cost:	
At 29 December 2013	87.5
Disposals	(3.3)
Effect of movements in foreign exchange	(0.5)
At 28 December 2014	83.7
Additions	0.2
Disposals	(2.8)
Effect of movements in foreign exchange	(0.6)
At 3 January 2016	80.5
Impairment:	
At 29 December 2013	76.4
Disposals	(2.6)
Effect of movements in foreign exchange	(0.5)
At 28 December 2014	73.3
Disposals	(2.8)
Effect of movements in foreign exchange	(0.6)
At 3 January 2016	69.9
Carrying amount:	
At 3 January 2016	10.6
At 28 December 2014	10.4

The carrying amount is attributable to the following cash generating units ("CGUs") which are individual businesses with separately identifiable cash flows:

	3 January 2016 £m	28 December 2014 £m
UK - Allied Health Professionals	2.0	2.0
UK - Nursing	8.4	8.4
Australia - Care	0.2	-
Total	10.6	10.4

Each of the CGUs are reported as separate segments to the chief operating decision maker.

At 3 January 2016 goodwill and intangible assets were tested for impairment. When budgeting, the Group prepares both base case figures reflecting management expectations, and a lower range budget reflecting the impact of a range of factors such as reduced revenue growth rates, reduced margins and delays in new initiatives to boost revenues or reduce costs. The recoverable amounts of the above segments, and the intangible assets, were determined from value in use calculations based on cash flow projections from the 2016 lower range budget, lower range forecasts for 2017 and 2018 and estimates for subsequent years. In the UK the NHS has recently introduced caps on pay rates and charge rates for locum provision and has been significantly restricted in its use of off framework supply. While the Group anticipates volume growth as off framework provision is transferred to framework suppliers such as HCL, the average margin per hour could fall as a result of the rate caps. At present it is not clear to what extent each of these factors will impact on the Group's trading. Gross profit has been assumed to fall in 2016 by 15% in the Nursing business and 12 % in Allied Health, and to grow by 20% in 2017 and 2018 in both businesses. The judgement of the Board is that no impairment of the assets is required. In the case of the UK, this judgement is sensitive to the assumed growth in gross profit.

11 GOODWILL (continued)

In determining the discount rate consideration was given to the Group weighted average cost of capital ("WACC"). The key assumptions in the calculation of the WACC were:

- Risk-free rate - 1.55% (2014: 2.71%)
- Equity market risk premium - 6.0% (2014: 7.3%)
- Beta - 1.00 (2014: 1.079)
- Small stock premium - 4.0% (2014: 5.0%)
- Gross cost of debt 5.4% (2014: 12.88%)
- Expected long-term tax rate - 20% UK, 30% Australia (2014: 21% and 30%)
- Zero coupon loan notes discount rate 15.0% (2014: 15.0%)

Use of those assumptions gave a pre tax WACC of 14.6% (2014: 14.6%) which equates to a post-tax WACC of 10.8% for the UK and 11.2% for Australia (2014: 11.6% and 12.0% respectively).

The assumptions as to long term growth rates were 2.0% in the UK and 2.5% in Australia (2014: 2.0% and 2.5% respectively). These rates are consistent with forecasts of economic growth in the respective countries.

In June 2015 the Company's subsidiary, Healthcare Australia Pty Limited (HCA), acquired the goodwill and business of Randstad Care in Australia for consideration of A\$5.4m. This acquisition cements HCA's number one position in the Australian Health & Aged Care locum market. The acquired business delivered A\$18.0m of revenue, A\$3.3m of gross profit and A\$1.1m of EBITDA in the seven months of ownership in 2015. The consideration of \$A5.4m has been recognised in the balance sheet at the provisional fair values of \$A5.1m of customer contracts, \$A0.4m of goodwill and A\$0.1m of sundry liabilities taken on. Acquisition costs of A\$0.3m have been charged as an exceptional item in the profit & loss account for the period. The fair values of purchased intangible assets were determined using a discounted cash flow methodology and are being amortised over their estimated useful economic life. The result of the impairment review undertaken on the intangible assets and the goodwill acquired indicate the recoverable amounts are in excess of their carrying values.

12 OTHER INTANGIBLE ASSETS

	Customer relationships £m	Computer software £m	Acquired candidate database £m	Brands and trademarks £m	Customer contracts £m	Non- compete & Invoice finance agreements £m	Total £m
Cost:							
At 29 December 2013	21.0	2.7	8.8	23.1	-	0.4	56.0
Additions	-	0.6	-	-	-	-	0.6
Own costs capitalised	-	0.2	-	-	-	-	0.2
Disposals	(1.2)	-	(1.2)	(0.4)	-	-	(2.8)
Effect of movements in foreign exchange	(0.4)	-	(0.2)	(0.6)	-	(0.1)	(1.3)
At 28 December 2014	19.4	3.5	7.4	22.1	-	0.3	52.7
Additions	-	1.6	-	-	-	0.1	1.7
Additions from business acquisition	-	-	-	-	2.5	-	2.5
Own costs capitalised	-	0.3	-	-	-	-	0.3
Disposals	-	(0.3)	-	-	-	-	(0.3)
Effect of movements in foreign exchange	(0.7)	-	(0.3)	(1.1)	-	-	(2.1)
At 3 January 2016	18.7	5.1	7.1	21.0	2.5	0.4	54.8
Amortisation:							
At 29 December 2013	13.8	1.3	5.1	10.8	-	0.3	31.3
Provided for the year	1.1	0.5	0.8	0.8	-	-	3.2
Impairment (Note 11)	-	-	-	-	-	-	-
Disposals	(0.9)	-	(0.9)	(0.2)	-	-	(2.0)
Effect of movements in foreign exchange	(0.3)	-	(0.2)	(0.3)	-	-	(0.8)
At 28 December 2014	13.7	1.8	4.8	11.1	-	0.3	31.7
Provided for the year	0.5	0.8	0.4	0.6	0.5	-	2.8
Disposals	-	(0.3)	-	-	-	-	(0.3)
Effect of movements in foreign exchange	(0.5)	-	(0.3)	(0.6)	-	-	(1.3)
At 3 January 2016	13.7	2.3	5.0	11.2	0.5	0.3	32.9
Carrying amount:							
At 3 January 2016	5.0	2.8	2.2	9.9	2.0	0.1	21.9
At 28 December 2014	5.7	1.7	2.6	11.0	-	-	21.0

At 3 January 2016 computer software included £0.5m under construction (2014: £0.8m). The Group amortises intangible assets from the date the assets are available for use.

The asset lives of the material intangible assets have been assessed at 20 years for brands and trademarks and 10 years for the main acquired candidate database. Customer relationships are amortised over the expected life of the contracts. As at 3 January 2016 the remaining amortisation period for Customer Relationships & the acquired Candidate Database was 5 years. The amortisation period left for the Brands and Trademarks was 13 years. Customer contracts are amortised over the expected useful life of the contracts of 3 years.

13 PROPERTY, PLANT AND EQUIPMENT

	Improvements to leasehold buildings £m	Office and computer equipment £m	Total £m
Cost:			
At 29 December 2013	1.7	2.3	4.0
Additions	0.2	0.2	0.4
Disposals	(0.2)	(0.2)	(0.4)
At 28 December 2014	1.7	2.3	4.0
Additions	0.1	0.2	0.3
Disposals	(0.7)	(0.5)	(1.2)
Effect of movements in foreign exchange	(0.1)	(0.1)	(0.2)
At 3 January 2016	1.0	1.9	2.9
Depreciation and impairment:			
At 29 December 2013	0.8	1.8	2.6
Provided for the year	0.3	0.2	0.5
Disposals	(0.1)	-	(0.1)
At 28 December 2014	1.0	2.0	3.0
Provided for the year	0.2	0.3	0.5
Disposals	(0.7)	(0.5)	(1.2)
Effect of movements in foreign exchange	(0.1)	(0.2)	(0.3)
At 3 January 2016	0.4	1.6	2.0
Carrying amount:			
At 3 January 2016	0.6	0.3	0.9
At 28 December 2014	0.7	0.3	1.0

There are no assets included above held under finance leases.

14 TRADE AND OTHER RECEIVABLES

	3 January 2016 £m	28 December 2014 £m
Trade receivables	24.1	20.2
Other receivables	0.2	0.2
Prepayments	1.1	1.2
Accrued income	1.9	1.5
	27.3	23.1

All amounts shown under receivables fall due for payment within one year. The ageing analysis of the trade receivables and the amounts denominated in currencies other than Sterling are set out in Note 19. There are no differences between the carrying amount and the fair value of the trade and other receivables at either reporting date.

15 TRADE AND OTHER PAYABLES

	3 January 2016 £m	28 December 2014 £m
Trade payables	1.9	0.7
Other loans	0.4	-
Other taxes and social security	2.9	3.6
Accruals	6.4	5.4
Deferred income	0.3	0.3
Sales ledger credits	1.8	2.6
Other creditors	5.3	3.8
	19.0	16.4

There are no differences between the carrying amount and the fair value of the trade and other payables at either reporting date.

Other loans relate to revolving credit facilities (invoice discounting) over the trade receivables. These facilities are secured by a charge over the assets of the Group. The facilities bear interest at 1.75% over local base rate. These facilities are repayable on demand.

16 LOANS AND LONG TERM BORROWINGS

	3 January 2016 £m	28 December 2014 £m
Current portion of long-term debt		
Sterling denominated:		
Shareholder loans	1.1	-
Total current borrowings	1.1	-
Non-current:		
Sterling denominated:		
Shareholder loans	17.5	17.5
Zero Coupon Loan Notes	-	2.0
Australian Dollar denominated:		
Shareholder loans	-	20.5
Total non-current borrowings	17.5	40.0

There are no differences between the carrying amount and the fair value of the loans and long-term borrowings at either date.

The Group did not capitalise any fees during 2015. Fees are amortised using the effective interest method over the terms of the respective loans.

The Zero Coupon Loan Notes are stated at fair value, being the fair value recognised at the date of issue plus imputed interest to 3 January 2016. More details are set out in Note 19.

The Shareholder loans are stated at fair value, being the fair value recognised at the date of issue plus imputed interest to 3 January 2016. These loans exert a fixed and floating charge over Healthcare Locums Limited and all of its subsidiary companies. The charge covers all assets (tangible & intangible) of the companies, shares, investment interests and intellectual property.

17 PROVISIONS AND DEFERRED CONSIDERATION

	Employee benefits	Leases	Total provisions	Deferred consideration
	£m	£m	£m	£m
At 29 December 2013	2.2	1.1	3.3	0.2
Credited to income statement	-	(0.4)	(0.4)	(0.1)
Effect of movements in foreign exchange	(0.1)	-	(0.1)	(0.1)
At 28 December 2014	2.1	0.7	2.8	-
Movement during the year:				
Charged/(credited) to income statement	0.4	(0.2)	0.2	-
At 3 January 2016	2.5	0.5	3.0	-
At 3 January 2016				
Current	1.6	-	1.6	-
Non-current	0.9	0.5	1.4	-
At 28 December 2014				
Current	1.8	-	1.8	-
Non-current	0.3	0.7	1.0	-

Employee benefits provisions comprise long service leave benefits of £2.1m (2014: £1.8m) and provision for paid leave of £0.3m (2014: £0.3m) relating to the employees, including locums, of the Australian operations.

The lease provision at 3 January 2016 represents make good costs on occupied properties. The prior period lease provision also included payments to which the group was committed on previously vacated properties. Due to the relatively short time frame and the amounts involved the provisions have not been discounted as the impact would not be significant.

18 DEFERRED TAXATION

	Tax losses £m	Intangible fixed assets £m	Other short term temporary differences £m	Total £m
At 29 December 2013	(0.4)	4.9	(1.7)	2.8
(Credited) / charged to profit or loss	-	1.2	0.2	1.4
Foreign exchange adjustment	-	(0.2)	0.1	(0.1)
At 28 December 2014	(0.4)	5.9	(1.4)	4.1
(Credited) / charged to profit or loss (Note 9)	0.4	(0.8)	(0.4)	(0.8)
Foreign exchange adjustment	-	(0.2)	-	(0.2)
At 3 January 2016	-	4.9	(1.8)	3.1

During the year, as a result of the changes in the UK corporation tax rate to 20% which was substantively enacted on 2 July 2013 and was effective from 1 April 2015, the relevant deferred tax balances have been remeasured. Deferred tax has therefore been calculated on UK and Australian temporary differences at 20% and 30% respectively (2014: 20% and 30% respectively). In addition to the rates of corporation tax disclosed above it was also announced in the March 2016 Budget to decrease the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The proposed reductions to the main rate of corporation tax are both expected to be enacted during 2016.

The analysis of the net deferred tax balance between deferred tax assets and deferred tax liabilities is as follows:

	3 January 2016 £m	28 December 2014 £m
Represented by deferred tax liability	3.1	4.1

There are unrecognised deferred tax assets in respect of the following items:

	3 January 2016 £m	28 December 2014 £m
UK tax losses	6.4	6.9
Decelerated capital allowances	0.7	0.9
Australian tax losses	-	0.7
Australian capital losses	-	-
Total	7.1	8.5

Deferred income tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. The group did not recognise the deferred income tax assets disclosed above. None of the tax losses have an expiry date.

There are no temporary differences in relation to unremitted earnings of overseas subsidiaries.

19 FINANCIAL INSTRUMENTS

The Group's financial instruments as at 3 January 2016 comprise shareholder loans, cash, trade and other receivables and payables. Balances at the year-end for these financial instruments were as follows:

	Financial assets	
	3 January 2016	28 December 2014
	£m	£m
Current financial assets:		
Trade and other receivables excluding prepayments	26.2	21.9
Cash and cash equivalents	0.6	8.6
Total current financial assets	26.8	30.5
Analysed by currency (GBP equivalent):		
Pound Sterling	14.6	18.5
Australian Dollar	12.2	12.0
	26.8	30.5
	Financial liabilities measured at amortised cost	
	3 January 2016	28 December 2014
	£m	£m
Current financial liabilities:		
Trade and other payables excluding deferred income and taxes	15.8	12.5
Current portion of long term borrowings	1.1	-
Total current financial liabilities	16.9	12.5
Non-current financial liabilities:		
Long term borrowings	17.5	40.0
Total non-current financial liabilities	17.5	40.0
Analysed by currency (GBP equivalent):		
Pound Sterling	27.1	26.7
Australian Dollar	7.3	25.8
	34.4	52.5

The group had no derivative financial liabilities at 3 January 2016 (2014: nil).

The Group's bank loans, which had a balance of A\$59.2m (£31.9m) at the end of 2013, were repaid in part during 2014. The outstanding balance of the loan was purchased by the shareholders of Angel Acquisitions Limited. At the end of 2014 the balance on this loan was A\$39.2m. In order to fund the part repayment and professional fees associated with this refinancing, the Company borrowed the sum of £16.2m from the shareholders of Angel Acquisitions Ltd. This loan bears interest at 6%. During December 2015 this loan was forgiven, giving rise to an exceptional gain of £19.3m.

The Zero Coupon Loan Notes of nominal £5.1m, which fell due in September 2021, were exchanged for share capital in December 2015.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest risk), credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

19 FINANCIAL INSTRUMENTS (continued)

(a) Market risk

(i) Foreign exchange risk

The Group had a shareholder loan of A\$39.2m outstanding as at 28 December 2014 which exposed the Group to currency risk. The loan was held within the sub-group in Australia which replaced the bank term loan during 2014 and so formed part of the A\$ net assets of that sub-group. The impact of movements of the exchange rate of the A\$ against Sterling on net assets passes through the translation reserve. The other assets are treated in the same manner. This loan was forgiven in December 2015 resulting in a £19.3m gain included in Finance Income (Note 8).

There is an A\$ denominated inter-company loan account between Healthcare Locums Limited and the Australian sub-group which gives rise to exchange gains and losses booked in finance costs in the Consolidated Statement of Comprehensive Income. As at 3 January 2016 the amount of A\$38.5m (2014: A\$37.1m) was recorded as a receivable balance in Healthcare Locums Limited. At 3 January 2016 the rate of exchange was £1 = A\$2.019 (2014: £1 = A\$1.916).

As at 3 January 2016, 51% (2014: 46%) of the total assets of the Group were held in subsidiary companies outside the UK and denominated in currencies other than Sterling; principally in A\$. Group policy is not to hedge the net investments in foreign operations as it does not consider that the reduction in foreign currency exposure warrants the cash flow risk created from such hedging techniques.

If Sterling had been 10% stronger against the A\$ during the year ended 3 January 2016, with all other variables held constant, the post tax profit for the year would have been £1.6m lower (2014: post tax loss £0.40m lower).

If Sterling had been 10% stronger against the A\$ at the year ended 3 January 2016, with all other variables held constant, the credit to other comprehensive income would have been £0.4m greater (2014: £2.2m greater credit).

(ii) Interest rate risk

Market risk also arises from the Group's use of interest bearing financial instruments, which expose the Group to interest rate risk. The Group finances its operations through a mix of equity, invoice discounting and shareholder loans. The interest rates applicable to the shareholder loans are fixed and not affected by changes of external interest rate movements. As such the Group's interest rate risk is mitigated. The invoice discounting facilities bear interest linked to local base rates.

(b) Credit risk

Credit risk arises principally from the Group's trade receivables and is the risk that the customer fails to discharge its obligations in respect of the instrument. The Group's exposure to credit risk is considered to be insignificant due to the heavy weighting of its customer base in the UK towards NHS Trusts, Local Authorities and other Government institutions and in Australia to public hospitals and health providers. Private sector customers are subject to credit checking procedures prior to commencing trade with them. The quality, and hence the low risk, of the customer base is also shown by the small amounts of overdue debt.

The Group transacts with counterparties which it considers to be creditworthy.

	Current	Up to 1 month overdue	1 to 2 months overdue	>2 months overdue
Trade receivables - 3 January 2016	£19.5m	£3.1m	£0.7m	£0.8m
% of trade receivables per ageing category – 3 January 2016	80.9%	12.9%	2.9%	3.3%
Trade receivables - 28 December 2014	£13.8m	£4.4m	£1.2m	£0.8m
% of trade receivables per ageing category – 28 December 2014	68.3%	21.8%	5.9%	4.0%

(c) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. The Board receives regular cash flow projections.

Liquidity risk arises principally from the volume of revenue forecast and the potential for adverse outcomes in litigation.

The factors considered by the Board in assessing going concern are set out in Note 3(c) and the Financial Review.

19 FINANCIAL INSTRUMENTS (continued)

Gross, undiscounted liabilities are due as follows:

	Due within 1 year £m	Due in 1 to 2 years £m	Due in 2 to 5 years £m	Over 5 years £m
2015 Non-derivative financial instruments - outflows				
Long and short term borrowings	1.1	17.5	-	-
Trade and other payables excluding deferred income and taxes	15.8	-	-	-
Total	16.9	17.5	-	-
2014 Non-derivative financial instruments - outflows				
Long and short term borrowings	-	38.1	-	6.5
Trade and other payables excluding deferred income	12.5	-	-	-
Total	12.5	38.1	-	6.5

The above tables summarise undiscounted cash flows based on the financial liabilities of the Group outstanding at the year-end and assuming no changes in interest rates from the year-end rates. There are no financial liabilities payable on demand.

Fair value estimation:

In the opinion of the Board, the carrying amount of the financial assets and liabilities of the Group approximate their fair values. There are no financial assets or liabilities held for trading purposes or any investments classified as available-for-sale.

Two loans were received from shareholders in 2015. Firstly £1.0m was received for working capital requirements in July. A further £16.2m was received in August to facilitate the refinancing of the bank loans. The £1m loan is repayable by 30 June 2016 and the £16.2m loan is repayable by 31 December 2017. Interest on the £1.0m loan is charged at 5%. The interest on the £16.2m is 5% if settled and 6% if rolled up into the loan.

Capital risk management:

The Group considers its capital to comprise its ordinary share capital, share premium, other reserves and accumulated retained earnings. In managing its capital the Group's long-term objective is to ensure its continued ability to provide a growing return for its equity shareholders through a combination of capital growth and distributions.

The group has two invoice finance facilities in place. An £18m facility in the UK and a \$20m facility in Australia. Both facilities are limited by the trade debt attributable to finance. There are also two covenants applicable to these facilities. In each jurisdiction the available funds in the facilities must not fall below a calculated amount of two times the weekly locum payroll. This is calculated by taking the average weekly payroll over 26 weeks, 13 weeks actual and 13 weeks forecasted. The second covenant is that the Healthcare Locums Group net assets (excluding shareholders debt) must not fall below £25m.

20 SHARE CAPITAL

Authorised

	3 January 2016 Number '000	28 December 2014 Number '000	3 January 2016 £m	28 December 2014 £m
<i>Equity share capital</i>				
Ordinary A shares of 10p each	-	87,010	-	8.7
Ordinary B shares of 10p each	-	66,990	-	6.7
Ordinary A shares of 0.01p each	452	-	-	-
Ordinary B shares of 0.01p each	348	-	-	-
Ordinary C shares of 0.01p each	200	-	-	-
First fixed return shares of 0.01p each	19,243	-	-	-
Second fixed return shares of 0.01p each	757	-	-	-
Third fixed return shares of 0.01p each	4,349	-	-	-
Fourth fixed return shares of 0.01p each	25,651	-	-	-
Fifth fixed return shares of 0.01p each	9,114	-	-	-

Allotted, called up and fully paid

	3 January 2016 Number '000	28 December 2014 Number '000	3 January 2016 £m	28 December 2014 £m
<i>Equity share capital</i>				
Ordinary A shares of 10p each	-	87,010	-	8.7
Ordinary B shares of 10p each	-	66,990	-	6.7
Ordinary A shares of 0.01p each	452	-	-	-
Ordinary B shares of 0.01p each	348	-	-	-
Ordinary C shares of 0.01p each	0	-	-	-
First fixed return shares of 0.01p each	17,319	-	-	-
Second fixed return shares of 0.01p each	681	-	-	-
Third fixed return shares of 0.01p each	3,697	-	-	-
Fourth fixed return shares of 0.01p each	21,803	-	-	-
Fifth fixed return shares of 0.01p each	7,291	-	-	-

Movements in share capital -

	Ordinary shares of 10p		Other shares of 0.01p	
	Number '000	£m	Number '000	£m
As at 28 December 2014	154,000	15.4	-	-
Re-designation of 10p shares to 0.01p shares	(154,000)	(15.4)	154,000,000	15.4
Re-designate ordinary shares to deferred shares and subsequently buy back & cancel	-	-	(153,964,909)	(15.4)
Ordinary shares converted to another share class	-	-	(34,291)	(0.0)
Ordinary shares re-designated to first rate return shares	-	-	17,319	0.0
Ordinary shares re-designated to fourth rate return shares	-	-	9,681	0.0
Ordinary shares re-designated to fifth rate return shares	-	-	7,291	0.0
Issue of second rate return shares	-	-	681	0.0
Issue of third rate return shares	-	-	3,697	0.0
Issue of fourth rate return shares	-	-	12,122	0.0
As at 3 January 2016	-	-	51,591	0.0

20 SHARE CAPITAL (continued)

The holders of the ordinary shares classed A and B have the voting rights within Angel Acquisitions. All other classes of share capital provide the holders the entitlement to attend and speak at all general meetings but not to vote.

The shares classed first to fifth will not hold any rights to receive dividends or other distribution of income. The holders of these shares are however ranked in order as to receive a return in capital upon liquidation or sale of the company. They are also ranked before the ordinary share capital.

21 RESERVES

The share premium reserve represents the excess amount paid for the ordinary share capital issued.

The other reserve represents the balance of reserves when consolidating the Healthcare Locums Group with Angel Acquisitions using the 'Pooling of Interests' method.

The capital redemption reserve comprises the movement in reserves for the buy back and cancellation of ordinary share capital.

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations that are integral to the operations of the Group.

The retained earnings represents the cumulative profit or loss recognised in the Consolidated Statement of Comprehensive Income, as adjusted for subsequent transfers to or from other reserves.

22 CONTINGENT LIABILITIES

Claims and litigation

From time to time the Group and Company are in receipt of claims from customers and employees arising in the normal course of business.

The following disclosures are made in connection with claims or exposures which the Directors consider could represent material uncertainties.

Litigation - Permian et al

In September 2013 default judgment was obtained against Healthcare Locums Limited (HCL) in respect of claims by various US investors that they had been induced to invest in and/or retain securities issued by HCL or instruments linked to those securities on the basis of knowing or reckless misrepresentations by HCL and its former directors concerning its accounting practices and operating results. HCL was advised by English Leading Counsel and by Australian Counsel that securing a default judgment in the US was highly unlikely to result in any judgment being recognised or enforceable in either the UK or Australia because of lack of jurisdiction. At present, the Company is aware that a \$7.1m liability sum has been registered against it by the plaintiff Privet Capital and a \$13.1m judgement has been registered against it by Permian. As HCL has not submitted to the US jurisdiction or participated in the litigation, it is not aware if further sums have been registered against it by any of the other claimants. The Board continues to hold the opinion that the claims are without merit.

23 PENSIONS

The Group operates defined contribution pension schemes in the UK and Australia. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

24 COMMITMENTS UNDER OPERATING LEASES

As at 3 January 2016 the Group had total commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	3 January 2016 £m	28 December 2014 £m	3 January 2016 £m	28 December 2014 £m
Operating lease commitments payable:				
Under 1 year	1.6	1.6	-	0.1
1 -2 years	1.6	1.5	-	-
2 - 5 years	1.6	2.6	-	-
Over 5 years	0.1	0.1	-	-
	4.9	5.8	-	0.1

The leases on land and buildings range from two months to eight years and seven months in length. The operating leases described as "other" are mainly for cars and normally have a lifetime of three years.

25 RELATED PARTY TRANSACTIONS

Angel Acquisitions is directly owned by Ares Capital and Tosca fund. Therefore any transactions with these entities are deemed as related.

Ares Capital Europe has charged £40,000 (2014: £40,000) for the services of Michael Dennis and Daniel Sinclair as Directors. The services of Mark Phillips, who served as a director and is connected to Tosca fund, were also charged to the accounts totalling £40,000 (2014: £40,000).

Ares Capital Europe and Tosca fund have charged £1,580,000 in respect of management fees for the year ended 03 January 2016.

At the start of the year Ares held the Zero Coupon loan notes with a brought forward value of £2m. During the year these loan notes were converted to preference share capital, this share capital was then converted to ordinary share capital and the investment Ares held was transferred to Angel Acquisitions. Ares no longer holds any direct capital or debt instruments in Healthcare Locums Ltd. Note 16.

The Shareholder loans are jointly owned by Ares Capital and Tosca fund. During the year £18.5m of the loan was forgiven by the shareholders and a further £1m of imputed interest was added to the loan balance. The total of these loans is £18.6m at the end of the accounting period (Note 16).

The key management personnel, whose costs are disclosed in Note 5, being Directors of the Company are considered to be related parties. Note 5 includes all the relevant disclosures of those related party costs.

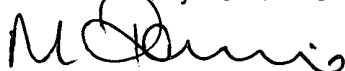
PARENT COMPANY BALANCE SHEET

AS AT 3 JANUARY 2016

	Notes	3 January 2016 £m	28 December 2014 £m
ASSETS			
Fixed assets			
Investments	28	17.6	12.3
		17.6	12.3
Current assets			
Trade and other receivables	30	1.8	5.8
		1.8	5.8
Total assets		19.4	18.1
LIABILITIES			
Current liabilities			
Trade and other payables	31	(1.7)	(0.5)
Shareholder loans: amounts falling due within one year	32	(1.1)	-
		(2.8)	(0.5)
Total assets less current liabilities		16.6	17.6
Creditors: Amounts falling due after more than one year			
Shareholder loans	32	-	(1.0)
		-	(1.0)
NET ASSETS		16.6	16.6
CAPITAL AND RESERVES			
Share capital	33	-	15.4
Share premium account	34	2.7	2.7
Capital redemption reserve	34	15.4	-
Equity & other reserve	34	(1.2)	-
Retained loss	34	(0.3)	(1.5)
SHAREHOLDERS' FUNDS		16.6	16.6

The Notes are an integral part of these Financial Statements.

The Financial Statements of Angel Acquisitions Limited, registered number 08389984, were approved and authorised for issue by the Board of Directors on 2 June 2016 and were signed on its behalf by:



Michael Dennis
Director

Angel Acquisitions Limited

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Equity & other reserve	Capital redemption reserve	Retained loss	Total
	£m	£m	£m	£m	£m	£m
Balance at 29 December 2013	11.4	2.7	-	-	-	14.1
Issue of ordinary shares	4.0					4.0
Transactions with owners	4.0	-	-	-	-	4.0
Loss for the year	-	-	-	-	(1.5)	(1.5)
Balance at 28 December 2014	15.4	2.7	-	-	(1.5)	16.6
Cancellation of ordinary shares	(15.4)	-	-	15.4	-	-
Transactions with owners	(15.4)	-	-	15.4	-	-
Profit for the year	-	-		-	1.2	1.2
Tax equalisation	-	-	(1.2)	-	-	(1.2)
Balance at 3 January 2016	-	2.7	(1.2)	15.4	(0.3)	16.6

The Notes are an integral part of these Financial Statements.

26 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding period.

(a) Basis of accounting

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced disclosure framework and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company meets the definition of a qualifying entity under FRS 100 Application of financial reporting requirements. Accordingly, in the 53 week period ended 3 January 2016, the company has changed its accounting framework from UK GAAP to FRS 101. In doing so, the company has applied the requirements of IFRS 1.6 - 33 and related appendices, but has taken advantage of the exemption in FRS 101 (September 2015) not to present a third statement of financial position. These financial statements were prepared in accordance with FRS 101 Reduced disclosure framework as issued by the Financial Reporting Council. As part of the change of accounting framework it is necessary also to restate the prior period figures. However there were no adjusting entries required for the company and therefore there is no requirement to publish a revised statement of financial position.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 Reduced disclosure framework:

- i) the requirements of paragraphs 45;
- ii) The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- iii) the requirements of IFRS 7 Financial Instruments: Disclosures,
- iv) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
- v) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1; (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment; (iii) paragraph 118(e) of IAS 38 Intangible Assets; (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property; and (v) paragraph 50 of IAS 41 Agriculture.
- vi) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements*
- vii) the requirements of IAS 7 Statement of Cash Flows;
- viii) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- ix) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*
- x) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- xi) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

(b) Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

In accordance with FRS 19, deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(c) Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

(d) Impairment

The Directors carry out impairment reviews annually or whenever an indication of impairment has been identified. Impairment charges are recorded in the Profit and Loss account.

The valuation of investments in subsidiary undertakings is calculated by reference to estimated future cash flows of the relevant company discounted using an appropriate, risk adjusted, rate.

(e) Provisions and contingent liabilities

The Group policy for provisions and contingent liabilities, as set out in Note 3(p), applies equally to the Company which has the same policy.

27 PROFIT / (LOSS) FOR THE YEAR

The profit after tax for the year dealt with in the financial statements of the Company amounts to £1.2m (2014: loss of £0.4m). As allowed by the provisions of Section 408 of the Companies Act 2006 the Company has not published its own Profit and Loss account.

28 INVESTMENTS

	Shares in subsidiary undertakings £m
Cost:	
Reduction in deferred consideration	-
At 28 December 2014	12.3
Additions	5.3
At 3 January 2016	17.6
Impairment:	
At 3 January 2016 & 28 December 2014	-
Net book value	
At 3 January 2016	17.6
At 28 December 2014	12.3

The investment in Healthcare Locums Ltd accounts for the total value stated above. There has been no requirement to impair this value during the year.

29 SUBSIDIARY UNDERTAKINGS

In accordance with section 409 of the Companies Act 2006, a full list of the subsidiary undertakings of Angel Acquisitions Limited as at 3 January 2016 is disclosed below. Unless otherwise stated:

the principal operations of each subsidiary undertaking are conducted in its country of incorporation
the shareholdings of each subsidiary undertaking relates to ordinary share capital and is equivalent to the percentage of voting rights held by the Group

the equity capital of each subsidiary undertaking is held through an intermediate company rather than Healthcare Locums Limited

the results of each subsidiary undertaking are consolidated within these financial statements for the 53 weeks ended 3 January 2016.

Incorporated in England & Wales

Name	Nature of business
BBL Medical Recruitment Limited	Non trading
Blue Group International Holdings Limited	Holding company
Bluecare Recruitment Holdings Limited	Holding company
Bluecare Recruitment Limited	Dormant
Bluetec Recruitment Limited	Dormant
Charterhouse Nursing Agency Limited	Dormant
Fairstaff Agency Limited	Dormant
HCL 100B Limited	Non trading
HCL Doctors Limited	Framework supply of professional services of statutorily registered doctors
HCL Dubai Limited	Non trading
HCL GPs Limited	Supply of professional services of statutorily registered doctors
HCL Healthcare Limited	Framework supply of professional health services of professionals and ancillary staff
Healthcare Locums Limited	Parent company to the HCL Group. All the companies below are directly and indirectly owned by this company.
HCL Managed Services Limited	Supply of managed services to the healthcare market
HCL Nursing Limited	Framework supply of professional services of statutorily registered nurses
HCL Permanent Limited	Supply of medical staff on a permanent placement basis
HCL Social Care Limited	Framework supply of professional services of social workers
JCJ Dormant Limited	Dormant
JCJ Group Limited	Holding company
JCJ Holdings Limited	Holding company
JCJ Locums Limited	Off framework supply of professional services of statutorily registered doctors, nurses, social workers, health professionals and ancillary staff
MJV Locums Limited	Non trading
Nurselink Worldwide Limited	Non trading
Recruitment Specialist Group Limited	Holding company
Social Work Professionals Limited	Dormant

29 SUBSIDIARY UNDERTAKINGS (continued)*Incorporated in Australia*

Name	Nature of business
Acclaim Recruitment Pty Limited	Nursing Agency
ASEPS Pty Limited	Nursing Agency
Bell Health Pty Limited	Nursing Agency
Care Services Admin Pty Limited	Admin staff for the business
HCL Australia Holdings Pty Limited	Holding company
HCL International Pty Limited	Supply of medical staff on a permanent placement basis
Health Employment Pty Limited	Nursing Agency
Healthcare Australia (NZ) Pty Limited	Nursing Agency
Healthcare Australia Holdings Pty Limited ("HCA")	Holding company
Healthcare Australia Pty Limited	Principal operating subsidiary of Healthcare Australia Holdings Pty Ltd.
Healthcare Australia Recruitment Pty Limited	Nursing Agency
Malvern Payroll Management Services Pty Limited	Nursing Agency
NT Medic Pty Limited	Nursing Agency
Nursing Agency Australia Pty Limited	Nursing Agency
Pacific Nursing Solutions Pty Ltd	Nursing Agency
PNS (PCC) Pty Limited	Nursing Agency
PNS (QLD) Pty Limited	Nursing Agency
PNS (Staffing Synergy) Pty Limited	Nursing Agency
PNS (Vic) Pty Limited	Nursing Agency
PNS Finance Pty Limited	Holding company
Select Health Services Pty Limited	Nursing Agency
Wylyn Pty Limited	Nursing Agency

* As part of the restructuring of the Group the staff placement activities of certain subsidiary undertakings ceased during 2012.

Incorporated in United States

Name	Nature of business
HCL International Inc	Non trading

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of that Act:

Name: Registered number:

HCL Doctors Limited	3069773
HCL Healthcare Limited	3496076
HCL Nursing Limited	5980817
HCL Social Care Limited	3710864
JCJ Locums Limited	5790018
HCL Permanent Limited	5790004
HCL Managed Services Limited	2273072
10OB Limited (formerly MPS Healthcare Limited)	3989591
Recruitment Specialist Group Limited	3216930
HCL GPs Limited	5130842
Nurselink Worldwide Limited	5804412
JCJ Group Limited	4469671
MJV Locums Limited	7305911
BBL Medical Recruitment Limited	5716382
JCJ Holdings Limited	4402407
HCL Dubai Limited	5755169
Blue Group International Holdings Limited	4171692

The above subsidiaries' outstanding liabilities at 3 January 2016 had been guaranteed by the Company pursuant to sections 479A-C of the Act.

30 TRADE AND OTHER RECEIVABLES

	3 January 2016 £m	28 December 2014 £m
Amounts receivable from subsidiary undertakings	1.8	5.8
	1.8	5.8

The amounts receivable from subsidiary undertakings consist of a number of items. The principal item is a £1m working capital loan receivable from Healthcare Locums Limited together with rolled up interest of £0.1m. The prior year balance also included loan notes which were liable to interest of 8%. These were converted to share capital in December 2015. The working capital loan is liable to 5% interest and is repayable 2017. The other receivables have no interest and are due to be repaid within one year.

31 TRADE AND OTHER PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	3 January 2016 £m	28 December 2014 £m
Amounts due to subsidiary undertakings	1.6	0.4
Corporation tax	0.1	0.1
	1.7	0.5

All amounts due to subsidiary undertakings are repayable on demand and do not bear any interest.

32 SHAREHOLDER LOANS

	3 January 2016 £m	28 December 2014 £m
Fair value at the beginning of the year	1.0	-
Fair value of loans advanced during the year	-	1.0
Imputed interest in the year	0.1	-
Fair value at the end of the year	1.1	1.0

Detailed information on the terms and conditions of the shareholder loans are given in Note 19 on page 35.

33 SHARE CAPITAL

All details of the allotted, called up and fully paid share capital, together with the movements during the prior year, are set out in Note 20 to the Group Financial Statements.

34 RESERVES

	Equity & other reserve £m	Capital redemption reserve £m	Share premium account £m	Profit and loss account £m
At 28 December 2014	-	-	2.7	(1.5)
Profit for the year	-	-	-	1.2
Tax equalisation	(1.2)	-	-	-
Shares cancelled during the year	-	15.4	-	-
At 3 January 2016	(1.2)	15.4	2.7	(0.3)

The equity & other reserves represent partly the fair value adjustment between the value of preference shares issued and consideration received. As well as the tax equalisation effect on the receipt of tax relief from the parent company.

See note 21 in the group financial statements for explanation on the other reserve and capital balances.

35 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	53 weeks ended 3 January 2016 £m	52 weeks ended 28 December 2014 £m
Profit for the year	1.2	0.4
Issue of ordinary shares	-	4.0
Shares cancelled during the year	(15.4)	-
Movement in capital redemption reserve	15.4	-
Tax equalisation	(1.2)	-
Add: Opening shareholders' funds	16.6	12.2
Closing shareholders' funds	16.6	16.6

36 RELATED PARTY TRANSACTIONS

See Note 25 to the Group Financial Statements for transactions with and balances due from and to related parties. All the reported transactions were with the Company.

The Company has taken advantage of the exemption conferred by IAS 24 "Related Party Disclosures" not to disclose transactions with members of the Group headed by the Company on the grounds that 100% of the voting rights in the other members of the Group are controlled by the Company and the results of all subsidiary undertakings are included in the Group Financial Statements.

37 CONTINGENT LIABILITIES

Details of the main material contingent liabilities for the Company are set out in Note 22. Details of Group borrowings are disclosed in Note 16.

As set out in Note 29 the Company has guaranteed the liabilities at 3 January 2016 of the named UK subsidiary undertakings. The amounts receivable from subsidiaries at 3 January 2016, as set out in Note 30, have been impaired where there is a possibility that full settlement of group indebtedness will not be possible if external liabilities are settled in full.

38 ULTIMATE CONTROLLING PARTY

The ultimate shareholders of Angel Acquisitions Ltd are ACE Equity Holdco (Cayman) Ltd (Ares) and Tosca Opportunity neither of which is considered to have overall control.