3 September 2015

EMPRESARIA GROUP PLC

(“Empresaria” or the “Group”)

Half Yearly Results for the six months ended 30 June 2015

Empresaria (AIM: EMR), the international specialist staffing group, announces its unaudited interim results for the six month period ended 30 June 2015.

The Group continues to deliver on its strategy with a strong first half performance showing growth in profit over the prior year with earnings per share up 45% on 2014. The Board is confident that results for the full year will be ahead of current market expectations.

Financial Highlights

	2015	2014	% change	% change (constant currency)**
Revenue	£92.4m	£94.0m	(2%)	3%
Net fee income (gross profit)	£24.1m	£21.6m	12%	16%
Operating profit	£2.9m	£2.3m	26%	36%
Adjusted operating profit*	£3.0m	£2.4m	25%	35%
Profit before tax	£2.7m	£2.0m	35%	44%
Adjusted profit before tax*	£2.8m	£2.1m	33%	44%
Earnings per share	3.2p	2.2p	45%	
Adjusted earnings per share*	3.4p	2.5p	36%	

- Profit before tax up 35% (constant currency up 44%)
- Permanent revenue up 29% (constant currency up 28%)
- Temporary revenue down 5% (constant currency level with prior year)
- Net fee income (“NFI”) up 12% (constant currency up 16%)
- Eight consecutive quarters of underlying growth in NFI over the prior year
- Conversion ratio (adjusted operating profit divided by net fee income) increased to 12.4% (2014: 10.9%)
- 30% reduction in net debt to £9.9m (2014: £14.2m)

* Adjusted to exclude amortisation of intangible assets, exceptional items and gain or loss on disposal of business.

** The constant currency movement is calculated by translating the 2014 results at the 2015 exchange rates.

Chief Executive Officer, Joost Kreulen said:

“The Group has delivered strong results for the first half of the year having continued to deliver on its stated strategy: strengthening a multi-branded Group with a focus on developing leading brands that are diversified and balanced by geography and sector. We continue to improve the quality of the Group’s revenue, which although not showing overall growth at present will continue to drive improvements in profitability. We are pleased with the progress from the investments made in 2014 and we continue to look for further investment opportunities to help drive our business forward.

“Based on performance to date, we are confident that results for the full year will be ahead of current market expectations and look forward to delivering further growth. Despite increasing currency headwinds, market conditions are generally favourable and we see further opportunities to grow our business over the coming years.”

- Ends –

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The investor presentation of these results will be made available during the course of today on the Group's website: www.empresaria.com

Notes for editors:

- Empresaria Group plc is an international specialist staffing group operating in 18 countries across the globe including UK, Germany, Japan, Indonesia, China, India, Chile, Thailand, Singapore, Finland, UAE and Australia.

- The Group offers both temporary and permanent staffing solutions in several sectors including Financial, IT Digital & Design, Technical & Industrial and Retail.

- Empresaria applies a multi brand, management equity philosophy and business model, with Group company management teams holding significant equity in their own business.

- The Group is listed on AIM under ticker EMR. For more information: http://www.empresaria.com/

Board statement

Performance overview

The Group is continuing to deliver on its brand led strategy to produce sustainable growth in earnings per share, with a 45% increase against the prior year. Profit before tax grew by 35% to £2.7m, up 44% on a constant currency basis.

After the investments made last year, in both new office openings and new brands joining the Group, the investment focus in the first half of 2015 has been to integrate these businesses. We are pleased that all the investments are trading in line with expectations and delivering an increased contribution against last year.

Permanent revenue grew by 29% (28% in constant currency) with market conditions generally favourable and investments over the last few years being in areas with a strong permanent sales focus. The new office openings and external investments made in 2014 contributed 16% of the growth, with notable growth also in Financial, Executive search (especially in Thailand) and our Offshore Recruitment Services business in India, together contributing 12% of the increase over the prior year. There were lower performances from our Chinese executive search and Indonesian training businesses. Costs are being reduced in these businesses in light of lower levels of demand.

Temporary revenue declined by 5% (flat in constant currency), with nearly 85% of the Group's currency impact due to the weak Euro. Contributing to this performance was the Group's decision to exit a number of our small businesses in the Czech Republic, Slovakia and Malaysia at the beginning of the year due to the lack of profitability – lost sales impact was 1% in 2015. In the UK there was a 6% decrease due to the end of the London Heathrow T2 project and a planned move away from low value work in the Technical & Industrial sector. Excluding these issues, growth from the rest of the Group was an 8% increase in constant currency. The Group temporary margin increased to 15.9% (2014: 15.3%).

Net fee income, a key performance indicator, grew by 12% (16% in constant currency), helped by the strong growth in permanent revenue. Permanent sales represented 47% of net fee income in the first half of 2015 (2014: 40%), as the mix of business has continued to shift. We are focused on rebalancing this over time to a higher proportion of temporary sales as part of our investment strategy. The share of net fee income from professional and specialist levels increased from 81% in 2014 (half year and full year) to 86%.

The conversion ratio also increased for the fourth year in a row, up to 12.4% (2014: 10.9%). Costs are closely managed with 80% of the increase being in staff costs as we continued to invest in new staff across the Group, with a 17% increase in the average number of staff over the prior year.

	Average number of employees 2015	Average number of employees 2014	Increase/ (decrease)
UK	229	192	37
Continental Europe	123	133	(10)
Rest of the World	704	576	128
Total	1,056	901	155

The largest increase in employee numbers was in India, up by 100. In line with the sales growth, increased staff numbers were also notable in Financial, Executive search and the impact of the new brands acquired last year. In Continental Europe the reduction is due to the disposed businesses.

Operating profit of £2.9m was up 26% on 2014 (£2.3m), up 36% in constant currency.

Interest costs reduced in the period, in line with the reduction in net debt. The net debt at the end of June 2015 was £9.9m, down 30% on the prior year of £14.2m. Average net debt levels across the first six months were down 39% on prior year. The ratio of net debt to trade receivables was 32% at the end of June, in line with the year end 2014 and down on the same time last year of 44%. Debtor days at the end of June were 52, in line with the prior year.

Profit before tax was up 35% to £2.7m (2014: £2.0m), up 45% in constant currency. On an adjusted basis, excluding amortisation costs, profit was £2.8m, up 33% on 2014.

The tax charge in the period was £0.9m (2014: £0.7m) representing an effective rate of 34%, a reduction against 35% in the prior year.

Basic earnings per share in the period were 3.2p (2014: 2.2p) an increase of 45%. On an adjusted basis the growth was 36% to 3.4p (2014: 2.5p). This measure excludes exceptional items, intangible amortisation and gain or loss on business disposals, so provides a better understanding of the underlying trading performance.

Operations

UK

£'m	**30 June 2015**	30 June 2014	30 June 2013
Revenue	**31.9**	33.6	33.6
Net fee income	**9.3**	7.8	7.8
Adjusted operating profit	**1.0**	1.0	0.9
% of Group NFI	**39%**	36%	38%

Overall UK revenue was down 5% due primarily to two factors in the Technical & Industrial sector: £3.7m was due to the end of the London Heathrow T2 project which finished in 2014, and there was circa £2m impact from the planned reduction in low value work.

The other sectors grew by 7% on prior year and there was an increase in permanent revenue of £1.5m (up 37% on prior year), half of which arose from the investment in Ball & Hoolahan made in December 2014, with growth across Financial, Technical & Industrial and Domestic services.

The temporary margin increased to 14.5% (2014: 13.1%) and together with temporary sales from Ball & Hoolahan, helped offset the lower revenue from Technical & Industrial, so the temporary net fee income was only slightly down on prior year. Net fee income was up 19%, due to the growth in permanent revenue, which now represents nearly 60% of net fee income.

Adjusted operating profit was flat at £1.0m (2014: £1.0m). This reflects the investment made in staff, with the average number up 19% on prior year. Also due to the growth in net fee income, the share of central costs allocated to the region has increased, with underlying operating profit up 7%. Market conditions remain positive, in particular in the Financial sector. Within Technical & Industrial, our largest brand is refocussing sales efforts further away from the low value end of the market which is not only negatively impacting on sales, but also reducing productivity in the short-term. We expect this to continue for the rest of the year.

Continental Europe

£'m	**30 June 2015**	30 June 2014	30 June 2013
Revenue	**36.0**	37.4	38.6
Net fee income	**6.6**	6.8	6.7
Adjusted operating profit	**1.1**	0.7	0.3
% of Group NFI	**27%**	31%	32%

Revenue decreased by 4% to £36.0m (2014: £37.4m) due to the disposal of the business in the Czech Republic and closure in Slovakia (impact of £0.7m) and currency movements (£4.0m). In constant currency revenue growth in Germany & Austria was 10% but was flat on a reported basis.

Net fee income of £6.6m (2014: £6.8m) was also affected by currency. The temporary margin increased from 17.8% to 18.4%. Cost savings and the exit from the loss making GiT business helped adjusted operating profit increase by 57% to £1.1m (2014: £0.7m).

In Germany, the Logistics services division has performed very strongly, with revenue growth of 24%. Within the temporary division revenue was stable, with cost savings helping to improve profit contribution. Market conditions in Germany were positive during the period, despite the uncertainty around the Greek debt crisis.

In our Healthcare business, the economic situation in Finland remains difficult. Net fee income was down and this was offset by lower costs. The business continues to increase its sales with local candidates as it transitions away from an import model.

Rest of the World

£'m	**30 June 2015**	30 June 2014	30 June 2013
Revenue	**24.5**	23.0	23.4
Net fee income	**8.2**	7.0	6.4
Adjusted operating profit	**0.9**	0.7	0.8
% of Group NFI	**34%**	33%	30%

Revenue increased by 7% to £24.5m (2014: £23.0m), primarily from permanent sales which grew by 24%. This was helped by the investments made last year in new office openings and the acquisition in Dubai. Together these represented 15% of the growth, with stand out performances also in Australia (IT, digital & design), Thailand (Executive search) and India (Offshore recruitment services – Other sector). Against this we saw disappointing results in China (Executive search) and from our training business in Indonesia. Both these businesses are reducing costs in line with lower sales, but have performed below prior year levels.

Temporary sales were up 1%, although up 4% on a constant currency basis. The main currency impact was in Japan and Australia. Temporary sales were strongest in IT, digital & design, both in Japan and Australia. In Chile we saw good growth in temporary sales but this was partially offset by a reduction in the traditional outsourced services. In Japan our Retail sector business faced candidate shortage issues which negatively impacted revenue and profit.

The temporary margin across the region was stable at 13.5% (2014: 13.6%).

Costs increased due to the investment in new staff, with average staff numbers up 22% on prior year, albeit largely in India where pay rates are lower. In India a second centre was opened in 2014 to accommodate sales growth. This has been filled quicker than anticipated so we are now looking to open a third centre in the second half of this year, earlier than originally planned. Adjusted operating profit increased by 29% to £0.9m (2014: £0.7m).

Market conditions are generally favourable, although the economic situation in South East Asia could lead to a slowdown in that region. In our largest markets outside South East Asia, being Japan, UAE and India, we see continued growth prospects for our businesses.

Investment in brands

In June 2015 we increased our interest in PT Monroe Consulting Group (Executive search in Indonesia) by 10%, taking our interest up to 90%. The consideration was £0.3m, all paid in cash.

In 2014 we entered into sale agreements to dispose of GiT in the Czech Republic and Metis in Malaysia. We also decided to close down the GiT operations in Slovakia. The completion of these transactions took place in the first two months of 2015. Disposal costs were £0.1m, covered by the provision made in 2014. There are no further costs recognised in 2015.

We do not anticipate any material purchases of minority shares during the remainder of 2015. The number of management shareholders has not increased in the first half of the year, but we are progressing matters with a number of brand managers that we expect to finalise before the end of the year.

Treasury

Cash generated from operations in the period was £0.2m, down from £0.8m in 2014, due to an investment in working capital of £2.8m (2014 £2.0m) and the payment of £0.5m to clear the liability for social security costs in Germany following the finalisation of this matter in 2014. No further costs or payments are due on this matter.

There was £0.3m cash outflow on purchasing minority shares and the increased final dividend to shareholders of £0.3m was paid in June. In the second half of the year we expect to pay the deferred consideration on the investment in Ball & Hoolahan of £0.5m.

During the period we finalised arrangements with HSBC to change the UK based revolving credit facility being used to fund German working capital financing, for locally based facilities provided directly to our German business. The new facilities comprise a three year term loan of €5m and an increased overdraft to €8m. All Group businesses with significant temporary sales now have local bank facilities in place. Centrally there is a £5m overdraft facility.

Following the repayment of the revolving credit facility, the bank is now simplifying the security and covenant requirements, much of which will be removed. Until that time the Group has to meet certain bank covenant tests on a quarterly basis. These tests were all met during the period. The figures at 30 June 2015 were:

Covenant	Target	Actual
Net debt:EBITDA	< 2.5 times	0.6
Interest cover	> 3.0 times	20.3
Debt service cover	> 1.25 times	2.8

Dividend

The Group traditionally pays a final dividend and therefore, in line with prior years, the Board is not recommending the payment of an interim dividend for the six months ended 30 June 2015 (2014: nil).

Outlook

The Group has delivered a strong first half result, as we continue to manage the Group to deliver growth in net fee income and an improving conversion ratio. Net debt has reduced against the prior year in what is traditionally the weaker half year for cash flows.

We follow a clear multi-brand strategy to build scalable leading businesses with a Group that is balanced and diversified by sector and geography. Part of our strategy is to invest in the Group and we are pleased with how the investments made last year are performing. In line with this strategy and our prior successes, we continue to look for suitable investment opportunities to bolt on to existing brands, to fill gaps within our current sector coverage or to improve our geographic spread.

We are experiencing currency headwinds in some of our key markets, in particular Continental Europe, Japan and Chile, which we expect to impact negatively on the second half performance. However, based on our performance to date and the opportunities we see in our markets, we are confident that results for the full year will be ahead of current market expectations and look forward to delivering further growth.

2 September 2015

Condensed consolidated income statement
Six months ended 30 June 2015

	Notes	**6 months to 30 June 2015**	6 months to 30 June 2014	Year to 31 December 2014
		Unaudited	Unaudited	
		£m	£m	£m
Revenue		**92.4**	94.0	187.9
Cost of sales		**(68.3)**	(72.4)	(143.3)
Net fee income		**24.1**	21.6	44.6
Administrative costs		**(21.1)**	(19.2)	(38.0)
Operating profit before exceptional items and intangible amortisation		**3.0**	2.4	6.6
Exceptional items	11	**-**	-	0.1
Loss on business disposal		**-**	-	(0.1)
Intangible amortisation		**(0.1)**	(0.1)	(0.2)
Operating profit		**2.9**	2.3	6.4
Finance income	4	**-**	-	0.1
Finance cost	4	**(0.2)**	(0.3)	(0.6)
Profit before tax		**2.7**	2.0	5.9
Income tax	7	**(0.9)**	(0.7)	(2.1)
Profit for the period from continued operations		**1.8**	1.3	3.8
Profit for the year		**1.8**	1.3	3.8
Attributable to:				
Equity holders of the parent		**1.5**	1.1	3.5
Non-controlling interest		**0.3**	0.2	0.3
		1.8	1.3	3.8
From continuing operations				
Earnings per share				
Basic (pence)	6	**3.3**	2.2	7.8
Diluted (pence)	6	**3.2**	2.2	7.5
Earnings per share (adjusted)				
Basic (pence)	6	**3.5**	2.5	8.3
Diluted (pence)	6	**3.4**	2.5	8.0

Condensed consolidated statement of comprehensive income
Six months ended 30 June 2015

	6 months to 30 June 2015 Unaudited	6 months to 30 June 2014 Unaudited	Year to 31 December 2014
	£m	£m	£m
Items that may be reclassified subsequently to income statement:			
Exchange differences on translation of foreign operations	**(1.1)**	(0.6)	(0.9)
Items that will not be reclassified to income statement:			
Exchange differences on translation of foreign operations of non-controlling interest	**(0.2)**	(0.2)	(0.1)
Net expense recognised directly in equity	**(1.3)**	(0.8)	(1.0)
Profit for the year	**1.8**	1.3	3.8
Total comprehensive income for the year	**0.5**	0.5	2.8
Attributable to:			
Equity holders of the parent	**0.4**	0.4	2.6
Non-controlling interest	**0.1**	0.1	0.2
	0.5	0.5	2.8

Condensed consolidated balance sheet
As at 30 June 2015

	Notes	**30 June 2015 Unaudited £m**	30 June 2014 Unaudited £m	31 December 2014 £m
ASSETS				
Non-current assets				
Property, plant and equipment		**1.1**	1.0	1.2
Goodwill		**22.5**	24.1	23.7
Other intangible assets		**2.1**	1.9	2.3
Deferred tax assets		**0.7**	0.7	0.9
		26.4	27.7	28.1
Current assets				
Trade and other receivables	9	**36.5**	37.0	34.5
Cash and cash equivalents		**6.3**	5.0	7.8
		42.8	42.0	42.3
Total assets		**69.2**	69.7	70.4
LIABILITIES				
Current liabilities				
Trade and other payables	10	**22.2**	22.5	21.9
Current tax liabilities		**2.6**	1.6	2.7
Borrowings	8	**12.4**	12.6	11.2
		37.2	36.7	35.8
Non-current liabilities				
Borrowings	8	**3.8**	6.6	6.4
Deferred tax liabilities		**1.1**	1.2	1.1
Total non-current liabilities		**4.9**	7.8	7.5
Total liabilities		**42.1**	44.5	43.3
Net assets		**27.1**	25.2	27.1
EQUITY				
Share capital		**2.2**	2.2	2.2
Share premium account		**19.4**	19.4	19.4
Merger reserve		**0.9**	0.9	0.9
Retranslation reserve		**0.4**	2.0	1.8
Equity reserve		**(7.2)**	(6.7)	(7.1)
Other reserves		**(0.7)**	(1.1)	(1.1)
Retained earnings		**9.0**	5.3	7.8
Equity attributable to owners of the company		**24.0**	22.0	23.9
Non-controlling interest		**3.1**	3.2	3.2
Total equity		**27.1**	25.2	27.1

Condensed consolidated statement of changes in equity
Six months ended 30 June 2015

	Share capital	Share premium account	Merger reserve	Retranslation reserve	Equity reserve	Other reserves	Retained earnings	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 31 December 2013	2.2	19.4	0.9	2.6	(6.7)	(1.2)	4.4	3.1	24.7
Profit for the period	-	-	-	-	-	-	1.1	0.2	1.3
Dividend	-	-	-	-	-	-	(0.2)	-	(0.2)
Currency translation differences	-	-	-	(0.6)	-	-	-	(0.2)	(0.8)
Non-controlling interest acquired during the period	-	-	-	-	-	-	-	0.1	0.1
Share based payment	-	-	-	-	-	0.1	-	-	0.1
Balance at 30 June 2014 (Unaudited)	2.2	19.4	0.9	2.0	(6.7)	(1.1)	5.3	3.2	25.2
Balance at 31 December 2013	2.2	19.4	0.9	2.6	(6.7)	(1.2)	4.4	3.1	24.7
Profit for the year	-	-	-	-	-	-	3.5	0.3	3.8
Dividend	-	-	-	-	-	-	(0.2)	-	(0.2)
Currency translation differences	-	-	-	(0.8)	-	(0.1)	-	(0.1)	(1.0)
Non-controlling interest acquired during the year	-	-	-	-	(0.4)	-	-	(0.1)	(0.5)
Shared based payment	-	-	-	-	-	0.2	-	-	0.2
Business acquisition	-	-	-	-	-	-	-	0.2	0.2
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(0.2)	(0.2)
Balance at 31 December 2014	2.2	19.4	0.9	1.8	(7.1)	(1.1)	7.8	3.2	27.1
Profit for the period	-	-	-	-	-	-	1.5	0.3	1.8
Dividend	-	-	-	-	-	-	(0.3)	-	(0.3)
Currency translation differences	-	-	-	(1.4)	-	0.3	-	(0.2)	(1.3)
Non-controlling interest acquired during the period	-	-	-	-	(0.1)	-	-	(0.2)	(0.3)
Share based payment	-	-	-	-	-	0.1	-	-	0.1
Balance at 30 June 2015 (Unaudited)	**2.2**	**19.4**	**0.9**	**0.4**	**(7.2)**	**(0.7)**	**9.0**	**3.1**	**27.1**

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium account" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- “Merger reserve” relates to premiums arising on shares issued subject to the provisions of section 612 “Merger relief” of the Companies Act 2006.
- "Retranslation reserve" represents the exchange differences arising from the translation of the financial statements of foreign subsidiaries.
- "Equity reserve" represents movement in equity due to acquisition of non-controlling interests under IFRS 3 (2008).
- "Other reserves” mainly represents exchange differences on intercompany long-term receivables which are treated as a net investment in foreign operations and the share based payment reserve of £0.5m.
- "Retained earnings" represents accumulated profits less distributions and income/expense recognised in equity from incorporation.
- "Non-controlling interest" represents equity in a subsidiary not attributable, directly or indirectly, to a parent.

Condensed consolidated cash flow statement
Six months ended 30 June 2015

	6 months to 30 June 2015 Unaudited £m	6 months to 30 June 2014 Unaudited £m	Year to 31 December 2014 £m
Profit for the year	**1.8**	1.3	3.8
Adjustments for:			
Depreciation	**0.4**	0.4	0.7
Intangible amortisation	**0.1**	0.1	0.2
Taxation expense recognised in income statement	**0.9**	0.7	2.1
Exceptional items	**-**	-	(0.1)
Loss on business disposal	**-**	-	0.1
Cash paid for exceptional items	**(0.5)**	(0.1)	(0.3)
Share based payments	**0.1**	0.1	0.2
Net finance charge	**0.2**	0.3	0.5
	3.0	2.8	7.2
Decrease in invoice discounting	**(1.3)**	(1.6)	(2.6)
(Increase)/decrease in trade receivables	**(2.9)**	(1.0)	1.2
Increase in trade payables	**1.4**	0.6	0.9
Cash generated from operations	**0.2**	0.8	6.7
Interest paid	**(0.2)**	(0.3)	(0.6)
Income taxes paid	**(0.7)**	(0.3)	(0.9)
Net cash from operating activities	**(0.7)**	0.2	5.2
Cash flows from investing activities			
Cash acquired with business acquisition	**-**	-	0.1
Business acquisition	**-**	(0.3)	(1.3)
Business disposals & deferred consideration received	**0.1**	0.1	0.1
Purchase of property, plant and equipment and intangibles	**(0.3)**	(0.4)	(1.0)
Finance income	**-**	-	0.1
Net cash used in investing activities	**(0.2)**	(0.6)	(2.0)
Cash flows from financing activities			
Further shares acquired in existing subsidiaries	**(0.3)**	(0.2)	(0.5)
Increase / (decrease) in borrowings	**2.5**	0.6	0.4
Proceeds from bank loan	**3.7**	-	0.1
Repayment of bank and other loan	**(5.8)**	(0.4)	(0.6)
Dividends paid to shareholders	**(0.3)**	(0.2)	(0.2)
Dividends paid to non-controlling interest in subsidiaries	**-**	-	(0.2)
Net cash from financing activities	**(0.2)**	(0.2)	(1.0)
Net (decrease) / increase in cash and cash equivalents	**(1.1)**	(0.6)	2.2
Effect of foreign exchange rate changes	**(0.4)**	(0.1)	(0.1)
Cash and cash equivalents at beginning of the year	**7.8**	5.7	5.7
Cash and cash equivalents at end of the year	**6.3**	5.0	7.8

Notes to the interim financial statements
Six months ended 30 June 2015

1 General information

Empresaria Group plc is the Group’s ultimate parent company. It is incorporated and domiciled in England. The address of Empresaria Group plc’s registered office is Old Church House, Sandy Lane, Crawley Down, Crawley, West Sussex, RH10 4HS, United Kingdom. Its shares are listed on AIM, a market of London Stock Exchange plc.

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group’s latest annual audited financial statements. The Group does not anticipate any change in these accounting policies for the year ended 31 December 2015. While the financial figures included in this half-yearly report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

The information for the year ended 31 December 2014 has been derived from audited statutory accounts for the year ended 31 December 2014. The information for the year ended 31 December 2014 included herein does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The interim financial information for 2015 and 2014 has been neither audited nor reviewed.

These interim financial statements were approved for issue by the Board of Directors on 2 September 2015.

2 Accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of income, expense, assets and liabilities. The significant estimates and judgements made by management were consistent with those applied to the consolidated financial statements for the year ended 31 December 2014.

Notes to the interim financial statements
Six months ended 30 June 2015

3 Segment analysis

The Group has one principal activity, the provision of staffing and recruitment services, which is segmented into three regions, UK, Continental Europe and Rest of the World. The Group's reportable segments are business units based in different geographic regions. Each unit is managed separately with local management responsible for determining local strategy.

Information reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of segment performance is based on geographic region.

The analysis of the Group's business by geographical origin is set out below:

Six months to 30 June 2015	UK	Continental Europe	Rest of the World	**Total**
	£m	£m	£m	**£m**
Revenue	31.9	36.0	24.5	**92.4**
Net fee income	9.3	6.6	8.2	**24.1**
Adjusted operating profit*	1.0	1.1	0.9	**3.0**
Operating profit	1.0	1.0	0.9	**2.9**

Six months to 30 June 2014	UK	Continental Europe	Rest of the World	Total
	£m	£m	£m	£m
Revenue	33.6	37.4	23.0	94.0
Net fee income	7.8	6.8	7.0	21.6
Adjusted operating profit*	1.0	0.7	0.7	2.4
Operating profit	1.0	0.6	0.7	2.3

Year to 31 December 2014	UK	Continental Europe	Rest of the World	Total
	£m	£m	£m	£m
Revenue	65.8	76.8	45.3	187.9
Net fee income	15.9	15.0	13.7	44.6
Adjusted operating profit*	2.2	3.2	1.2	6.6
Operating profit	2.2	3.0	1.2	6.4

* Adjusted operating profit excludes amortisation of intangible assets, exceptional items and gain or loss on disposal of business.

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4 Finance income and cost

	6 months to 30 June 2015 Unaudited £m	6 months to 30 June 2014 Unaudited £m	Year to 31 December 2014 £m
Finance income			
Bank interest receivable	**-**	-	0.1
	-	-	0.1
Finance cost			
On amounts payable to invoice discounters	**(0.1)**	(0.1)	(0.2)
Bank loans and overdrafts	**(0.1)**	(0.2)	(0.4)
	(0.2)	(0.3)	(0.6)
Net finance cost	**(0.2)**	(0.3)	(0.5)

5 Reconciliation of Adjusted profit before tax to Profit before tax

	6 months to 30 June 2015 Unaudited £m	6 months to 30 June 2014 Unaudited £m	Year to 31 December 2014 £m
Profit before tax	**2.7**	2.0	5.9
Amortisation of intangibles	**0.1**	0.1	0.2
Exceptional items	**-**	-	(0.1)
Loss on business disposal	**-**	-	0.1
Adjusted profit before tax	**2.8**	2.1	6.1

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Six months ended 30 June 2015

6 Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. A reconciliation of the earnings and weighted average number of shares used in the calculations are set out below.

The calculation of the basic and diluted earnings per share is based on the following data:

	6 months to 30 June 2015 Unaudited £m	6 months to 30 June 2014 Unaudited £m	Year to 31 December 2014 £m
Earnings			
Earnings attributable to equity holders of the parent	**1.5**	1.1	3.5
Adjustments :			
Exceptional items	**-**	-	(0.1)
Loss on business disposal	**-**	-	0.1
Amortisation of intangible assets	**0.1**	0.1	0.2
Earnings for the purpose of Adjusted earnings per share	**1.6**	1.2	**3.7**
Number of shares			
Weighted average number of shares- basic	**45.8**	44.6	44.6
Weighted average number of shares- diluted	**46.9**	45.8	46.5
Earnings per share	**Pence**	Pence	Pence
Basic	**3.3**	2.2	7.8
Diluted	**3.2**	2.2	7.5
Earnings per share (adjusted)	**Pence**	Pence	Pence
Basic	**3.5**	2.5	8.3
Diluted	**3.4**	2.5	8.0

The dilution on the number of shares is from share options granted to the executive directors.

7 Taxation

The tax charge for the six month period is £0.9m, representing an effective tax rate of 34% (2014: 35%). For the six months ended 30 June 2014 there was a tax charge of £0.7m and for the year ended 31 December 2014 there was a tax charge of £2.1m. The tax charge for the period represents the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six month period.

Notes to the interim financial statements
Six months ended 30 June 2015

8 Financial liabilities

a) Borrowings	**30 June 2015 Unaudited £m**	30 June 2014 Unaudited £m	31 December 2014 £m
Current			
Bank overdrafts	**4.9**	2.7	2.4
Amounts related to invoice financing	**6.8**	9.2	8.1
Current portion of bank loans	**0.7**	0.7	0.7
	12.4	12.6	11.2
Non-current			
Bank loans	**3.8**	6.6	6.4
Total financial liabilities	**16.2**	19.2	17.6

b) Movement in net borrowings	**30 June 2015 Unaudited £m**	30 June 2014 Unaudited £m	31 December 2014 £m
As at 1 January	**(9.8)**	(15.2)	(15.2)
Net (decrease) / increase in cash and cash equivalents	**(1.1)**	(0.6)	2.2
(Increase) / decrease in loans & borrowings	**(0.3)**	(0.1)	0.2
Decrease in invoice financing	**1.3**	1.6	2.6
On acquisition of business	**-**	-	0.1
Currency translation differences	**-**	0.1	0.3
	(9.9)	(14.2)	(9.8)

c) Analysis of net borrowings	**30 June 2015 Unaudited £m**	30 June 2014 Unaudited £m	31 December 2014 £m
Financial liabilities – borrowings	**(16.2)**	(19.2)	(17.6)
Cash and cash equivalents	**6.3**	5.0	7.8
	(9.9)	(14.2)	(9.8)

During the period the UK revolving credit facility of up to €10 million was repaid, replaced by new facilities in Germany provided directly to our subsidiary company. The new facilities comprise a term loan of €5 million and an increase in overdraft facilities of €5 million to €8 million.

The bank loans include a term loan in Germany (€5 million), which expires in February 2018 and a UK term loan of £0.5 million which expires in February 2016. We expect the UK term loan to be repaid in the second half of the year, to be replaced by a temporary increase in the UK overdraft. The overdrafts are renewable annually. The value of the UK overdrafts at 30 June 2015 was £1.9m (30 June 2014: £2.5m).

In total the Group has bank facilities of £30.4m at 30 June 2015 (2014: £33.2m). The amount of facility undrawn is £8.2m (2014: £10.7m), excluding the headroom on the invoice financing facility.

Notes to the interim financial statements
Six months ended 30 June 2015

9 Trade and other receivables

	30 June 2015 Unaudited £m	30 June 2014 Unaudited £m	31 December 2014 £m
Trade receivables	**31.6**	32.5	31.2
Less provision for impairment of trade receivables	**(0.4)**	(0.3)	(0.3)
Net trade receivables	**31.2**	32.2	30.9
Prepayments and accrued income	**3.0**	2.5	1.7
Deferred and contingent consideration	**0.4**	0.5	0.4
Other receivables	**1.9**	1.8	1.5
	36.5	37.0	34.5

10 Trade and other payables

	30 June 2015 Unaudited £m	30 June 2014 Unaudited £m	31 December 2014 £m
Trade payables	**0.9**	1.0	0.9
Other tax and social security	**5.4**	5.4	6.1
Other payables	**3.8**	3.8	3.5
Accruals	**11.5**	10.7	10.3
Provision for exceptional items	**-**	0.8	0.5
Deferred and contingent consideration	**0.6**	0.8	0.6
	22.2	22.5	21.9

11 Exceptional items

Exceptional (charges)/releases	**6 months to 30 June 2015 Unaudited £m**	6 months to 30 June 2014 Unaudited £m	Year to 31 December 2014 £m
Release against potential retrospective pay claims and social security liability in Germany	**-**	-	0.1
Germany restructuring charges	**-**	-	-
	-	-	0.1

Provision for exceptional items	**30 June 2015 Unaudited £m**	30 June 2014 Unaudited £m	31 December 2014 £m
Provision against social security liability in Germany	**-**	0.7	0.5
Germany restructuring	**-**	0.1	-
	-	0.8	0.5

12 Going concern

The Group's activities are funded by a combination of long-term equity capital, term loans, short-term invoice discounting and bank overdraft facilities. The day to day operations are funded by cash generated from trading, invoice discounting and overdraft facilities. The Board has reviewed the Group's profit and cash flow projections and applied sensitivities to the underlying assumptions. These projections suggest that the Group will meet its obligations as they fall due with the use of existing facilities.

The majority of the Group's overdraft facilities fall due for renewal at the end of January each year and, based on informal discussions the Board has had with its lenders, has no reason to believe that these facilities will not continue to be available to the Group for the foreseeable future. As a result, the going concern basis continues to be appropriate in preparing the financial statements.