THE RETHINK GROUP LIMITED

(formerly The Rethink Group plc)

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2014

COMPANY NUMBER 05078352

THE RETHINK GROUP LIMITED
(formerly The Rethink Group plc)
CONTENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

THE RETHINK GROUP LIMITED
(formerly The Rethink Group plc)
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014

DIRECTORS:	S Wright J O'Sullivan B Felton (appointed 7 April 2014) P Crystal J Kirkham A Lord (resigned 17 April 2014) I Blair (resigned 17 April 2014) M Bennett (resigned 17 April 2014) R O'Callaghan (resigned 17 April 2014) S Greenwood (resigned 17 April 2014) F Brosnan (resigned 17 April 2014)
SECRETARY:	B Felton (appointed 7 May 2014)
REGISTERED OFFICE:	The Crane Building 22 Lavington Street London SE1 0NZ
REGISTERED NUMBER:	05078352 (England and Wales)
AUDITORS:	BDO LLP 3 Hardman Street Manchester M3 3AT
BANKERS:	Leumi 126 Dyke Road Brighton East Sussex BN1 3TE Bank of Scotland 40 Spring Gardens Manchester M2 1EN

THE RETHINK GROUP LIMITED
(formerly The Rethink Group plc)
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

This report sets out the Group and Company's aims and strategies whilst also highlighting those aspects of the Financial Statements that best reflect the Company's progress and performance during the year.

This report has been prepared by the directors in accordance with the requirements of Section 414 of the Companies Act 2006. The company's independent auditor is required by law to report on whether the information given in the Strategic Report is consistent with the financial statements. The auditor's report is set out on pages 8 and 9.

DELISTING FROM AIM
In December 2014 the Company cancelled the admission of its shares from trading on the Alternative Investment Market ("AIM") and subsequently re-registered as a private limited company. The Board strongly believed that the burden of additional regulatory reporting and the cost of maintaining a listed company were disproportionate to the potential benefits and these were the primary reasons for their proposal to shareholders to delist the Company.

STRATEGY
Rethink's strategic objective is to further develop its Talent Management services and client relationships, as well as continue to grow its open market recruitment capabilities. There is considerable opportunity in these core markets and we will focus on our strengths and experience in the Business and Technology, Retail and Pharma and Life Sciences sectors.

Our view is that the most attractive growth opportunities for the Group lie in Talent Management services where we can build deeper strategic relationships with clients, by providing a complete service including talent attraction, assessment, deployment and on-going development and engagement strategies. Increasingly, we will seek out projects, Managed Service and RPO opportunities in order to become more embedded within our clients.

In 2013 we launched a three year strategic plan. Under our plan a key objective is to ensure that over 60% of the Group's performance is derived from Talent Management services generated through long term client relationships with Recruitment services providing the balancing 40%.

Expansion will come through a combination of organic growth and, where appropriate, selective acquisitions that support the Group's strategic growth objectives. Our intention is to drive organic growth in both our Talent Management and Recruitment divisions with Talent Management taking the lead. A key part of this strategy is the continued focus on our Recruitment division, from where many of the future Talent Management opportunities will be developed.

We will continue to work closely with clients and partners to develop three key talent management capabilities:

1. *Workforce Planning* - which will embrace organisational design, career transition and redeployment and software enabled planning.

2. *Attraction* – which covers many of the activities and capabilities that are deployed across our client base, and includes employer branding, website design and management, talent pooling, screening and assessment, face to face hiring and on-boarding.

3. *Performance Management and Retention* - which covers a range of services to ensure that talent, once hired, is effectively deployed. This includes performance management, team profiling, talent programmes, engagement strategies and leadership development.

The purpose of this strategy is to build sustainable and recurring revenue streams, which in turn will support a premium valuation for our equity stakeholders and greater career opportunities for our employees.

CONSOLIDATED FINANCIAL REVIEW

Revenue has increased in the year to £115.1m (2013: £111.7m), the main driver being continued growth in contractor numbers. Gross profit has also increased by £0.4m to £20.0m compared to the previous year (2013: £19.6m). Earnings before interest, tax, depreciation, amortisation and separately identifiable items increased by 3.5% to £2.3m (2013: £2.2m).

In November 2014 the Group entered into a new £1.5m three year term loan facility with its existing bankers Leumi ABL. This new debt facility, coupled with repayments to the existing invoice discounting facility of £2.2m resulted in a net debt position at 31 December 2014 of £11.1m (2013: £11.7m).

Also, in conjunction with the delisting of the Company from AIM, a Tender Offer was made to existing shareholders to repurchase issued ordinary shares. In December 2014 a total of 31.4 million ordinary shares were repurchased and subsequently cancelled by the Company for a total consideration of £1.57m.
There is no proposed dividend payable (2013: £nil).

KEY PERFORMANCE INDICATORS

Key performance indicators for the Group are factors that measure effectively the development, performance or position of the business of the company.

KPIs relevant to this business are set out below.

	2014	2013	Commentary
Revenue	**£115.1m**	£111.7m	Revenue has increased mainly due to growth in contractor numbers.
Gross profit/ Net Fee income (NFI)	**£20.0m**	£19.6m	Margin has increased as a result of revenue volume increases.
Gross profit %	**17.3%**	17.5%	Gross profit margin has remained at a similar level to the prior year.
Conversion rate	**11.5%**	11.4%	Earnings before interest, tax, depreciation, amortisation and non-recurring items as a percentage of gross profit has improved slightly as the Group continues to focus on driving productivity across its sales force.
Total headcount (number)	**188**	206	Headcount has reduced slightly compared to prior year due to a drop in sales heads.

PRINCIPAL RISKS AND UNCERTAINTIES

Market and Economy

Market and economic conditions are considered to be the main risk to the business, where recruitment is significantly reduced as a result. The Group is addressing this by developing the customer base to spread and minimise the risk and also by targeting long term, retained relationships with customers.

Regulatory change

We track and contribute to regulation, via our membership of The Recruitment and Employment Confederation (REC). Currently there are no regulatory changes that are considered to jeopardise the Group.

Credit control

We have invested in and continue to invest in managing our credit risk and credit control processes, specifically through credit insuring receivables wherever obtainable, and improving the efficiency of the Group credit control function.

Cash requirements

Business forecasts identifying, in particular, liquidity requirements for the Group are produced regularly. These are reviewed by the Board to ensure that sufficient headroom exists within the overall facilities for at least the next 12 month period, both in terms of covenants and facility availability.

FINANCIAL INSTRUMENTS

The Group is exposed through its operations to one or more of the following financial risks that arise from its use of financial instruments.

- Market risk
- Interest rate risk
- Liquidity risk
- Credit risk
- Debt risk

Policy for managing these risks is set by the Board following recommendations from the Chief Financial Officer. Certain risks are managed centrally at Group level, while others are managed locally following guidelines communicated from the Board. The policy for each risk is described in more detail below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rate (interest rate risk).

Interest Rate Risk

The Group's external borrowings at the statement of financial position date comprise of an invoice discounting facility and a new £1.5m three year term loan, drawn down in November 2014. The Group does not seek to fix interest on this borrowing, as the Board considers the exposure to interest rate risk acceptable.

Credit Risk

The Group is mainly exposed to credit risk from invoiced sales where cash is not received at the statement of financial position date; however the Group reduces its risk through appropriate use of credit insurance and through rigorous credit checks prior to invoicing new clients.

Liquidity Risk
Liquidity risk arises from the Group's management of working capital and finance charges. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The liquidity risk is managed centrally at Group level by the finance function. Budgets are set locally and centrally, and are agreed by the Board annually in advance, enabling the Group and the Company's cash flow requirements to be anticipated. If facilities need to be increased, approval of the Chief Financial Officer must be sought. When the amount of the facility is above a certain level the agreement of the Board is needed.

Debt Risk
Where customers are expected to exceed their credit insured limit, management look at the exposure on an individual basis giving consideration to the quality of, and the history of the relationship with, the customer together with the extent of any exposure. There is no significant concentration of credit risk on a single customer and the quality of trade receivables is viewed as high.

FUTURE DEVELOPMENTS
The general economy, particularly in the UK where the Group primarily operates, is continuing to steadily improve albeit wider global issues and uncertainties could dampen or reverse this positive outlook. Businesses are now looking to invest and we believe that progressive businesses recognise that people investment is key to sustainability.

Since the year end, Rethink has acquired Consort Group, a niche Talent Management service provider which we are confident will enhance the existing Group's Talent Management and recruitment capabilities. Upfront cash consideration of £3.9m was paid with a further £4.2m of deferred consideration payable over two years, based on Consort achieving certain revenue and EBITDA levels during that period. The deferred consideration will be settled through a mixture of cash and Company shares.

The upfront consideration for the Consort acquisition was part funded by the Business Growth Fund ("BGF") through the issue of 17.4m new ordinary shares in the Company for £0.87m and a new £1.25m unsecured loan note. Immediately following the share placing, the BGF will hold a 23.9% shareholding in the Company.

We believe that with BGF now as a key shareholder, Rethink has the financial resource as well as the extensive BGF business network to underpin the Group's ambitious growth plans. Consequently, although the Net Fee Income (Gross Profit) performance and underlying profitability are expected to grow in 2015, the Board believes that the medium and longer-term prospects of the Group are significantly stronger.

ON BEHALF OF THE BOARD:

Stephen Wright
Chief Executive Officer

Date: 07.05.15

THE RETHINK GROUP LIMITED
(formerly The Rethink Group plc)
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their report with the financial statements of the Company for the year to 31 December 2014.

Review of business
The results for the year and financial position of the Company and the Group are as shown in the attached financial statements, and a detailed review is set out in the Strategic Report.

Dividends
The Directors have recommended no dividend for 2014. (2013: no dividend)

The Directors who served the Company during the year were as follows:

I P Blair
J O'Sullivan
A Lord
M J Bennett
R O'Callaghan
F Brosnan
S Greenwood
S Wright
J Kirkham

Financial instruments
Full details of the Group's financial instruments, including consideration of the main risks to the Group and the policies adopted by the Directors to minimise their effects, are in not19 to the financial statements.

Policy and practice on the payment of trade payables
It is the policy of the Group that each of the companies in the Group should agree appropriate terms and conditions with suppliers by means ranging from standard written terms to individually negotiated contracts. Payment is then in accordance with those terms and conditions, provided that the supplier has also complied with them. At the year end creditor days were 28 (2013: 22).

Going concern
The Group's business activities together with the factors which may impact its activities are in the Strategic report. The notes to the financial statements fully describe the Group's policies and processes for managing financial risk including details of its financial assets and liabilities.

After making due enquiry the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and they have therefore adopted a going concern basis in preparing the accounts. Further detail on borrowing facilities is included within note 20.

Statement of Directors' responsibilities
The directors are responsible for preparing the strategic report and directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company 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 of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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.

Statement as to disclosure of information to auditors
So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors
The auditors, BDO LLP, will be proposed for reappointment at the Annual General Meeting.

ON BEHALF OF THE BOARD:

Stephen Wright
Chief Executive Officer

Date: 07.05.15

THE RETHINK GROUP LIMITED
(formerly The Rethink Group plc)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RETHINK GROUP LIMITED FOR THE YEAR ENDED 31 DECEMBER 2014

We have audited the financial statements of the Rethink Group Limited year ended 31 December 2014 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of changes in equity, the consolidated and company statement of financial position, the consolidated and company statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2014 and of the Group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

BDO LLP

Julien Rye (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom
7 MAY 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THE RETHINK GROUP LIMITED

(formerly The Rethink Group plc)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	**Before separately identifiable items £'000**	**Separately identifiable items (note 8) £'000**	**Total 2014 £'000**	Before separately identifiable items £'000	Separately identifiable items (note 8) £'000	Total 2013 £'000
Revenue		**115,128**	**-**	**115,128**	111,693	-	111,693
Cost of sales		**(95,172)**	**-**	**(95,172)**	(92,133)	-	(92,133)
Gross profit		**19,956**	**-**	**19,956**	19,560	-	19,560
Administrative expenses		**(17,932)**	**(284)**	**(18,216)**	(17,511)	(642)	(18,153)
Earnings before interest, tax, depreciation and amortisation		**2,303**	**(284)**	**2,019**	2,225	(642)	1,583
Amortisation, depreciation and impairment		**(279)**	**-**	**(279)**	(176)	-	(176)
Profit from operations	5	**2,024**	**(284)**	**1,740**	2,049	(642)	1,407
Finance expense	4	**(552)**	**-**	**(552)**	(579)	-	(579)
Finance income	4	**6**	**-**	**6**	2	-	2
Profit before taxation		**1,478**	**(284)**	**1,194**	1,472	(642)	830
Tax expense	7	**(333)**	**-**	**(333)**	(172)	-	(172)
Profit from continuing operations		**1,145**	**(284)**	**861**	1,300	(642)	658
Profit on discontinued operations, net of tax	25	**-**	**-**	**-**	198	-	198
Profit		**1,145**	**(284)**	**861**	1,498	(642)	856
Other comprehensive expense							
Foreign currency exchange differences on translation of foreign operations		**(223)**	**-**	**(223)**	112	-	112
Total comprehensive income for the year		**922**	**(284)**	**638**	1,610	(642)	968

All of the profit and comprehensive income for the year is attributable to equity holders of the parent.

The notes on pages 17 to 48 form part of these financial statements

THE RETHINK GROUP LIMITED

(formerly The Rethink Group plc)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

Group	Share Capital £'000	Retained Earnings £'000	Share Premium £'000	Capital Redemption Reserve £'000	Merger Reserve £'000	Translation Reserve £'000	Total £'000
At 1 January 2013	114	2,108	3,145	-	218	(356)	5,229
Changes in equity for the year ended 31 December 2013							
Profit for the year	-	856	-	-	-	-	856
Other comprehensive income for the year	-	-	-	-	-	112	112
Total comprehensive income for the year	-	856	-	-	-	112	968
Contributions by and distributions to owners							
Own shares held	-	(230)	-	-	-	-	(230)
Recognition of share-based payment expense	-	5	-	-	-	-	5
Share options exercised	3	-	93	-	-	-	96
Total contributions by and distributions to owners	3	(225)	93	-	-	-	(129)
At 31 December 2013	117	2,739	3,238	-	218	(244)	6,068
Changes in equity for the year ended 31 December 2014							
Profit for the year	-	861	-	-	-	-	861
Other comprehensive income for the year	-	-	-	-	-	(223)	(223)
Total comprehensive income for the year	-	861	-	-	-	(223)	638
Contributions by and distributions to owners							
Recognition of share-based payment expense	-	15	-	-	-	-	15
Repurchase and cancellation of shares	(31)	(1,567)	-	31	-	-	(1,567)
Total contributions by and distributions to owners	(31)	(1,552)	-	31	-	-	(1,552)
At 31 December 2014	**86**	**2,048**	**3,238**	**31**	**218**	**(467)**	**5,154**

The notes on pages 17 to 48 form part of these financial statements

THE RETHINK GROUP LIMITED

(formerly The Rethink Group plc)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

Company	Share Capital £'000	Retained Earnings £'000	Share Premium £'000	Capital redemption £'000	Merger Reserve £'000	Total £'000
At 1 January 2013	114	38	3,145	-	218	3,515
Changes in equity for the year ended 31 December 2013						
Profit for the year	-	646	-	-	-	646
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	646	-	-	-	646
Contributions by and distributions to owners						
Own shares held (note 25)	-	(230)	-	-	-	(230)
Recognition of share-based payment expense	-	(5)	-	-	-	(5)
Share options exercised	3	-	93	-	-	96
Total contributions by and distributions to owners	3	(225)	93	-	-	(129)
At 31 December 2013	117	459	3,238	-	218	4,032
Changes in equity for the year ended 31 December 2014						
Profit for the year	-	1,235	-	-	-	1,235
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	1,235	-	-	-	1,235
Contributions by and distributions to owners						
Recognition of share-based payment expense	-	15	-	-	-	15
Repurchase and cancellation of shares	(31)	(1,567)	-	31	-	(1,567)
Total contributions by and distributions to owners	**(31)**	**(1,552)**	**-**	**31**	**-**	**(1,552)**
At 31 December 2014	**86**	**142**	**3,238**	**31**	**218**	**3,715**

The notes on pages 17 to 48 form part of these financial statements

THE RETHINK GROUP LIMITED

(formerly The Rethink Group plc)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

Company number 05078352

	Notes	**2014 £'000**	2013 £'000
Assets			
Non-current assets			
Goodwill	10	**3,848**	4,050
Investment	13	**13**	12
Property, plant and equipment	11	**443**	381
Intangible assets	12	**155**	54
Deferred tax asset	21	**70**	62
Total non-current assets		**4,529**	4,559
Current assets			
Trade and other receivables	14	**25,529**	25,270
Cash and cash equivalents	2	**1,518**	1,600
Corporation tax asset		**-**	-
Total current assets		**27,047**	26,870
Total assets		**31,576**	31,429
Liabilities			
Current liabilities			
Trade and other payables	15	**(13,305)**	(11,860)
Loans and borrowings	16	**(11,606)**	(13,339)
Corporation tax liability		**(418)**	(105)
Total current liabilities		**(25,329)**	(25,304)
Net current assets		**1,718**	1,566
Non-current liabilities			
Loans and borrowings	16	**(1,052)**	(7)
Deferred tax liability	21	**(41)**	(50)
Total non-current liabilities		**(1,093)**	(57)
Net assets		**5,154**	6,068
Equity			
Share capital	22	**86**	117
Capital redemption reserve	22	**31**	-
Share premium account		**3,238**	3,238
Merger reserve		**218**	218
Translation reserve		**(467)**	(244)
Retained earnings		**2,048**	2,739
Total equity attributable to equity holders of the parent company		**5,154**	6,068

The financial statements were approved by the Board of Directors and authorised for issue on 07.05.15

Stephen Wright
Chief Executive Officer

The notes on pages 17 to 48 form part of these financial statements.

THE RETHINK GROUP LIMITED
(formerly The Rethink Group plc)
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

Company number 05078352

	Notes	**2014 £'000**	2013 £'000
Assets			
Non-current assets			
Property, plant and equipment	11	**277**	91
Intangible assets	12	**76**	11
Investments	13	**571**	521
Total non-current assets		**924**	623
Current assets			
Trade and other receivables	14	**11,790**	8,724
Cash and cash equivalents	2	**341**	173
Total current assets		**12,131**	8,897
Total assets		**13,055**	9,520
Liabilities			
Current liabilities			
Trade and other payables	15	**(9,132)**	(5,431)
Loans and borrowings	16	**(95)**	(35)
Corporation tax liability		**(12)**	-
Total current liabilities		**(9,239)**	(5,466)
Net current assets		**2,892**	3,431
Non-current liabilities			
Loans and borrowings	16	**(94)**	(7)
Deferred tax liability	21	**(7)**	(16)
Total non-current liabilities		**(101)**	(23)
Net assets		**3,715**	4,031
Equity			
Share capital	22	**86**	116
Share redemption reserve		**31**	-
Share premium account		**3,238**	3,238
Merger reserve		**218**	218
Retained earnings		**142**	459
Total equity attributable to equity holders of the Company		**3,715**	4,031

The financial statements were approved by the Board of Directors and authorised for issue on 07.05.15

Stephen Wright
Chief Executive Officer

The notes on pages 17 to 48 form part of these financial statements.

THE RETHINK GROUP LIMITED

(formerly The Rethink Group plc)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	**2014 £'000**	2013 £'000
Cash flows from operating activities			
Profit before tax from continuing operations		**1,194**	830
Adjustments for:			
Share-based payment expense		**15**	5
Depreciation charges	11	**234**	153
Amortisation	12	**45**	22
Disposal of property, plant and equipment		**51**	150
Disposal of intangible assets		**-**	35
Finance expense	4	**552**	579
Finance income	4	**(6)**	(2)
		2,085	1,772
Increase in trade and other receivables		**(259)**	(2,411)
Increase in trade and other payables		**1,484**	1,417
Cash generated from operations		**3,310**	778
Corporation tax paid		**(84)**	(46)
Net cash generated from operating activities		**3,226**	732
Cash flows from investing activities			
Purchase of property, plant and equipment		**(101)**	(153)
Purchase of intangible assets	12	**(146)**	(32)
Disposal of subsidiary undertaking net of cash disposed		**-**	220
Share buy back	22	**(1,567)**	-
Finance income	4	**6**	2
Net cash (absorbed by)/generated from investing activities		**(1,808)**	37
Cash flows from financing activities			
Finance costs paid	4	**(552)**	(579)
Net change in advances on invoice discounting facility		**(2,293)**	868
Repayment of finance leases		**(113)**	(47)
Repayment of loans		**(42)**	-
Payment for redemption of preference shares		**-**	(628)
Proceeds from issue of share capital net of issue costs		**-**	96
Advance of Term Loan		**1,500**	-
Net cash absorbed by financing activities		**(1,500)**	(290)
Net change in cash and cash equivalents		**(82)**	479
Cash and cash equivalents at start of year	2	**1,600**	1,121
Cash and cash equivalents at end of year	2	**1,518**	1,600

The notes on pages 17 to 48 form part of these financial statements.

THE RETHINK GROUP LIMITED

(formerly The Rethink Group plc)

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £'000	2013 £'000
Cash flows from operating activities			
Profit before tax		**1,235**	416
Adjustments for:			
Share-based payment expense		**15**	5
Dividends from subsidiary undertakings		**(1,380)**	(149)
Depreciation charges	11	**75**	23
Amortisation	12	**15**	8
Disposal of property, plant and equipment		**23**	34
		(17)	337
Increase in trade and other receivables		**(1,688)**	(276)
Increase in trade and other payables		**3,670**	68
Net cash generated by operating activities		**1,965**	129
Cash flows from investing activities			
Purchase of property, plant and equipment	11	**(37)**	(61)
Purchase of intangible assets	12	**(80)**	-
Share buy back		**(1,567)**	-
Net cash absorbed by investing activities		**(1,684)**	(61)
Cash flows from financing activities			
Repayment of finance leases		**(113)**	(47)
Proceeds from issue of share capital net of issue costs		**-**	96
Net cash (absorbed by)/generated from financing activities		**(113)**	49
Net change in cash and cash equivalents		**168**	117
Cash and cash equivalents at start of year	2	**173**	56
Cash and cash equivalents at end of year	2	**341**	173

The notes on pages 17 to 48 form part of these financial statements.

1. Accounting policies
The Company and its subsidiaries (together 'the Group') operate predominantly in the United Kingdom and Ireland.

The Rethink Group is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office is The Crane Building, 22 Lavington Street, London SE1 ONZ.

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below.

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), International Financial Reporting Interpretations Committee (IFRIC) interpretations and Standing Interpretations Committee (SIC) interpretations as adopted and endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Group's financial statements have been prepared on the same basis and as permitted by Section 408 of the Companies Act 2006, no statement of comprehensive income is presented for the Company. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain liabilities, and in accordance with applicable accounting standards. The Group's accounting policies, as set out below, have been consistently applied to all the periods presented, unless otherwise stated.

New standards, interpretations and amendments not yet effective
The Group has not adopted any standard or interpretations in advance of the required implementation dates. It is not expected that adoption of standards or interpretations which have been issued by the International Accounting Standards Board, but have not been adopted, will have a material impact on the financial statements.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and of its subsidiaries. Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Group as if they formed a single entity. Inter-company transactions are therefore eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group; they are de-consolidated from the date when control ceases.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. Goodwill represents the excess of the cost of a business combination over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair values of assets given, liabilities assumed and equity instruments issued, plus any direct costs of acquisition.

Revenue and revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the provision of services provided in the ordinary course of the Group's activities. Revenue is shown net of value added tax and other sales taxes, returns, and rebates and after elimination of sales within the Group.

Revenue from temporary placements is recognised over the period that temporary staff are provided to customers. Where the Company is acting as principal, revenue represents the amounts billed for the services of temporary staff which includes the salary costs of those staff. Where the Company is acting as an agent, revenue represents commission receivable relating to the supply of temporary staff and does not include the salary costs of the temporary staff.

Revenue arising from the placement of permanent candidates is recognised at the time the candidate commences full time employment.

Technology Services revenue is recognised on a straight-line basis under the terms of the contract. Revenue additional to the original contract is recognised in the period the staff or services are provided. This part of the business was discontinued during the prior year.

Interest income is recognised as the interest accrues to the net carrying amount of the financial asset.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. The Group considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents. Bank overdrafts are repayable on demand and form part of the Group's cash management system and are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Share-based payment
Share-based payment expenses are included in administrative expenses in the statement of comprehensive income with the credit entry to equity. All share-based payments are equity-settled.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that actually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate the depreciable value of property, plant and equipment to the statement of comprehensive income over their useful economic lives as follows:

Computer equipment	10–33% per annum
Improvements to property	10–33% per annum
Fixtures and fittings	10–33% per annum
Motor vehicles 25% per annum	

Assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of comprehensive income.

Assets under construction
Fixed assets that are still under development are classified as 'Assets under construction'. These assets are reclassified over the phased completion dates and are depreciated from the date they are reclassified.

Intangible assets
Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment is recognised immediately in the statement of comprehensive income and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Development costs
Expenditure on internally developed products is capitalised if it can be demonstrated that:
- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within administrative expenses in the consolidated statement of comprehensive income as follows:

Development expenditure: 33% per annum

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

Software licences
The cost of acquired computer software licences is capitalised. These costs are amortised on a straight-line basis, using the straight-line method to allocate the depreciable value of software licences to the statement of comprehensive income over their useful economic lives as follows:

Software licences: 10–33% per annum

Costs associated with maintaining computer software programs are recognised as an expense to the statement of comprehensive income when incurred.

Externally acquired intangibles are initially recognised at cost and subsequently amortised on a straight line basis over their useful economic lives.

Investments
Fixed asset investments within the Company statement of financial position are stated at cost less provision for impairment. Any impairment is charged to the statement of comprehensive income as it arises. For investments in subsidiaries acquired for consideration, including the issue of shares qualifying for merger relief, cost is measured by reference to the fair value of the shares.

Impairment of non-financial assets
At each statement of financial position date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately. Impairment losses in respect of goodwill are not reversed.

Leased assets
Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the consolidated statement of comprehensive income over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payments is charged to the consolidated statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amount payable.

All other leases are treated as operating leases. Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

Foreign currency
(i) Functional and presentation currency
Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which that subsidiary operates (its 'functional currency'). The consolidated financial statements of the Group are presented in Pounds Sterling which is the Group's presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

(iii) Group companies
The results and financial position of all of the Group's subsidiaries (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the Group's presentational currency are translated into the presentational currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the rate ruling at the statement of financial position date;
- income and expenses for each statement of comprehensive income are translated using the average rate of exchange (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the management team including the Directors.

Financial instruments
Financial assets and liabilities are recognised at fair value in the statement of financial position when the Group or Company becomes a party to the contractual provisions of the instrument. The Group classifies its financial instruments into loans and receivables (comprising cash and cash equivalents and trade receivables) and other liabilities (comprising bank borrowings, finance leases, invoice discounting advances and trade payables). Disclosure of financial instruments is included within note 19.

Trade receivables
Trade receivables include all sales invoiced up to the statement of financial position date and sales relating to work completed in December, for which invoices are raised within the normal year end processing cut-off period following the statement of financial position date. Trade receivables do not carry any interest, are stated at fair value and are reduced by appropriate allowances for estimated irrecoverable amounts.

The Group makes judgements on an entity by entity basis as to its ability to collect outstanding receivables and provides an allowance for doubtful accounts based on a specific review of significant outstanding invoices. Trade receivable balances are written off when the Group determines that it is unlikely that future remittances will be received.

Accrued income
Accrued income includes income relating to services provided by the statement of financial position date where no invoices had been raised at or during the normal year end processing cut-off following the statement of financial position date. The Group has contractual relationships in place for all such services provided.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group and Company after deducting all of the liabilities.

Bank borrowings
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

Finance charges are accounted for on an accrual basis to the statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

Trade and other payables
Trade payables are not interest-bearing and are stated at their nominal value.

Invoice discounting
The Group funds operations by way of an invoice discounting facility. Trade receivables are recognised as the Group retains the significant risks and benefits. The related funding is shown as a financial liability and accounted for under the amortised cost basis.

Dividends
Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when they are declared and paid to shareholders. In the case of final dividends this is when approved by the shareholders at the Annual General Meeting.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group and Company's liability for current tax is calculated using tax rules that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on the difference between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the tax liability accounting method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient tax profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Pension contributions
Obligations for pension contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred. The Group has no defined benefit arrangements in place.

Provisions
Provisions are recognised in the statement of financial position when the Group and Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material. Provisions are reviewed on a regular basis and released to the statement of comprehensive income where changes in circumstances indicate that a provision is no longer required.

Profit from operations
Profit from operations is stated after charging all operating costs and income including those separately disclosed by virtue of their size or unusual nature or to facilitate a more helpful understanding of the Group and Company's results. It is stated before investment income and finance costs.

Separately identifiable items
Certain income and expenses are recognised as separately identifiable items when they are one off items that are unlikely to occur in the future.

Significant judgements and estimates
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimated and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The key sources of estimation that have a significant impact on the carrying value of assets and liabilities are discussed below.

- **Identification and valuation of intangibles acquired in business combinations**
  Identifying and determining the fair value of intangibles acquired in business combinations requires estimation and judgement of the value of the cash flows related to the identified intangibles and a suitable discount rate in order to calculate the present value. As a result of this assessment, no intangibles other than goodwill have been recognised on acquisitions in the current and prior year. Judgement and estimation is also required in determining contingent consideration payable in respect of acquisitions.

- **Impairment of goodwill and other intangibles**
  Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. The value in use calculation requires an entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate net present value. Details of the impairment review are set out in note 10.

Any change in estimates could result in an adjustment to recorded amounts.

2. Notes to the cash flow statements

Cash and Cash Equivalents
The amounts disclosed in the cash flow statement in respect of cash and cash equivalents are in respect of these statement of financial position amounts:

Group	**2014 £'000**	2013 £'000
Cash available on demand	**1,518**	1,600

Company	**2014 £'000**	2013 £'000
Cash available on demand	**341**	173

3. Employees and Directors

Group	**2014 £'000**	2013 £'000
Wages and salaries	**11,234**	11,902
Social security contributions and similar taxes	**1,310**	1,390
Pension costs	**314**	390
Share-based payment expense	**15**	5
	12,873	13,687

The costs of Company employees are wholly borne by subsidiary trading companies.

The average number of employees during the year was as follows:

Group	2014 Number	2013 Number
Sales	**145**	167
Administrative	**33**	27
Directors	**10**	12
	188	206

Company	2014 Number	2013 Number
Administrative	**22**	19
Directors	**6**	7
	28	26

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. These are considered to be the directors of the primary trading subsidiary undertakings and Company directors.

All Key Management Personnel	2014 £'000	2013 £'000
Wages and salaries	**1,549**	1,505
Social security contributions and similar taxes	**147**	154
Compensation for loss of office	**157**	311
Pension costs	**88**	103
Share based payment expense	**9**	3
	1,950	2,076

Company Directors only	2014 £'000	2013 £'000
Wages and salaries	**711**	1,394
Social security contributions and similar taxes	**80**	140
Compensation for loss of office	**-**	311
Pension costs	**57**	99
	848	1,944

During the year there was a change to the Group's management structure , an Executive Board has not been created and the group company board has been streamlined to five members.

During the year no directors exercised share options (2013: M Bennett, I P Blair, R O'Callaghan and J Butterfield exercised 250,000, 250,000, 750,000 and 250,000 share options respectively and the total gain on the exercise of these options was £44k).

Remuneration in respect of the highest paid Director:

	2014 £'000	2013 £'000
Salary and bonuses	**225**	229

During 2014 there was one Director in the Group's defined contribution pension scheme (2013: one). This scheme is administered by an independent pension provider and the assets of the scheme are held separately to those of the Group.

During 2014 no share options (2013: 1,500,000) were exercised by the Directors. Disclosure of the total gains arising from the exercise of the share options is included within note 24.

4. Finance income and expense

	2014 £'000	2013 £'000
Finance income:		
Bank interest received	**6**	2
	6	2

	2014 £'000	2013 £'000
Finance expense:		
Bank charges and interest	**50**	30
Invoice discounting charges and interest	**502**	525
Preference share interest	**-**	24
	552	579

5. Profit from operations

This is stated after charging:	2014 £'000	2013 £'000
Other operating leases – property	**568**	497
Depreciation of property, plant and equipment	**234**	153
Amortisation of intangible assets	**45**	22
Auditor's remuneration – audit services – parent	**10**	14
– UK and Ireland subsidiaries	**31**	43
Auditor's remuneration – non-audit services	**18**	-
Foreign exchange (gains) and losses	**(63)**	50

6. Segment information
Reportable Segments
Factors that management use to identify the Group's reportable segments
The Group's two current reportable segments, being Recruitment and Talent Management, are sectors that offer different products and services. They are managed separately having a dedicated Director, and separate reporting within the internal information provided to the management team. The Group ceased to have a Technology Services division in 2013, following the sale of its wholly owned subsidiary Aiimi Limited.

Measurement of operating segment profit and assets

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Recruitment and Talent Management are evaluated for performance on the basis of contribution.

Recruitment is represented by the subsidiaries, Rethink Recruitment Solutions Limited, Otravida Search Limited, Rethink Group Inc, Rethink MEA FZCO, Berkley Recruitment (Group) Limited and Berkley Recruitment Group (Asia) Pte. Limited. All subsidiaries are involved in both permanent and contract recruitment. Permanent recruitment involves the placing of candidates in permanent employment roles. Contract recruitment involves the placing of candidates in fixed term roles.

Talent Management is currently represented by Rethink Professional Services Limited, TM Management Solutions Limited and parts of Rethink Recruitment Solutions Limited. The Talent Management division provides clients with managed service solutions for their permanent and contract recruitment needs as well as providing employee attraction, retention and development consultancy services.

	Continuing operations			
2014	**Recruitment £'000**	**Talent Management £'000**	**Unallocated £'000**	**Total £'000**
Contract revenue	**60,891**	**45,724**	**-**	**106,616**
Permanent revenue	**7,025**	**1,487**	**-**	**8,512**
Total revenue from external customers	**67,916**	**47,211**	**-**	**115,128**
Group's revenue per consolidated statement of comprehensive income	**67,917**	**47,211**	**-**	**115,128**
Gross profit	**14,687**	**5,269**	**-**	**19,956**
Administrative expenses	**(12,080)**	**(2,522)**	**-**	**(14,602)**
Contribution	**2,607**	**2,747**	**-**	**5,354**
Central administrative expenses	**-**	**-**	**(3,330)**	**(3,330)**
Earnings before interest, tax, depreciation, amortisation and separately identifiable items	**2,607**	**2,747**	**(3,051)**	**2,303**
Amortisation, depreciation and impairment	**-**	**-**	**(279)**	**(279)**
Profit from continuing operations before separately identifiable items	**2,607**	**2,747**	**(3,330)**	**2,024**
Finance costs	**-**	**-**	**(552)**	**(552)**
Finance income	**-**	**-**	**6**	**6**
Profit from continuing operations before tax and separately identifiable items	**2,607**	**2,747**	**(3,876)**	**1,478**
Separately identifiable items	**-**	**-**	**(284)**	**(284)**
Profit from continuing operations before tax	**2,607**	**2,747**	**(4,160)**	**1,194**
Statement of financial position				
Reportable segment assets	**23,125**	**8,453**	**-**	**31,577**
Reportable segment liabilities	**(17,671)**	**(8,754)**	**-**	**(26,426)**

Continuing operations Discontinued

2013	Recruitment £'000	Talent Management £'000	Technology Services £'000	Unallocated £'000	Total £'000
Contract revenue	58,872	44,768	-	-	**103,640**
Permanent revenue	6,845	1,208	-	-	**8,053**
Technology Services	-	-	3,113	-	**3,113**
Total revenue from external customers	65,717	45,976	3,113		**114,806**
Discontinued Operations	-	-	(3,113)	-	**(3,113)**
Group's revenue per consolidated statements of comprehensive income	65,717	45,976	-	-	**111,693**
Gross profit	14,304	5,256	1,442	-	**21,002**
Administrative expenses	(12,262)	(1,365)	(1,574)	-	**(15,201)**
Contribution from ongoing operations	2,042	3,891	-	-	**5,933**
Discontinued Operations	-	-	(132)	-	**(132)**
Central administrative expenses	-	-	-	(3,884)	**(3,884)**
Earnings before interest, tax, depreciation, amortisation and separately identifiable items	2,042	3,891	-	(3,708)	**2,225**
Amortisation and depreciation	-	-	-	(176)	**(176)**
Profit from continuing operations before separately identifiable items	2,042	3,891	-	(3,884)	**2,049**
Finance costs	-	-	-	(579)	**(579)**
Finance income	-	-	-	2	**2**
Profit from continuing operations before tax and separately identifiable items	2,042	3,891	-	(4,461)	**1,472**
Separately identifiable items	-	-	-	-	**(642)**
Loss from continuing operations before tax					**830**
Statement of financial position					
Reportable segment assets	20,778	10,451	-	200	**31,429**
Reportable segment liabilities	(14,535)	(10,826)	-	-	**(25,361)**

Segment reportable administrative expenses consist primarily of staff, office and general expenses.

Segment reportable assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables and cash.

Segment reportable liabilities consist primarily of trade and other payables, bank loans and finance leases and tax payable.

	External revenue by location of customers		Non-current assets by location of assets	
Geographical information	**2014 £'000**	2013 £'000	**2014 £'000**	2013 £'000
United Kingdom	**99,351**	91,700	**4,381**	4,429
Other	**15,777**	19,993	**78**	69
	115,128	111,693	**4,459**	4,498

Revenues from single customers that exceed 10% or more of total Group revenues in 2014 are £27,328k (2013: £19,839k)

7. Taxation

	2014 £'000	2013 £'000
Current tax expense		
UK corporation tax on profit for the year	**382**	181
Adjustments in respect of prior years	**(32)**	(10)
	350	171
Deferred tax (note 21)		
Origination and reversal of timing differences	**(17)**	1
	(17)	1
Total tax expense	**333**	172

Factors affecting the tax charge
The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	2014 £'000	2013 £'000
Profit from continuing operations	**861**	658
Total tax expense	**333**	172
Profit before taxation	**1,194**	830
Expected tax charge based on the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	**257**	193
Higher/(Lower) rates of tax on overseas earnings	**2**	(68)
Items disallowed/(non-taxable) for tax	**97**	71
Other permanent differences	**9**	(14)
Corporation tax – adjustments in respect of prior years	**(32)**	(10)
Total tax expense	**333**	172

8. Separately identifiable items

	2014 £'000	2013 £'000
Debit included within administrative expenses:		
Delisting costs	**136**	-
Restructuring and reorganisation costs	**148**	642
	284	642

During the year the Group incurred certain one-off expenses which are unlikely to recur in the future. These costs include professional and legal fees associated with the company delisting from AIM and certain restructuring and reorganisation costs.

9. Dividends

The Directors have not recommended a final dividend for 2014 (2013: £Nil). During the year the company received dividends from subsidiaries Rethink Recruitment Solutions Limited, Rethink Professional Services Limited and Berkley Recruitment (Group) Limited totalling £1,380k (2013; £nil).

10. Goodwill

	Total £'000
Cost	
At 1 January 2014	4,484
Foreign exchange movements	(228)
At 31 December 2014	**4,256**
At 31 December 2013	4,484
Accumulated Impairment	
At 1 January 2014	(434)
Foreign exchange movements	26
At 31 December 2014	**(408)**
At 31 December 2013	(434)
Net Book Value	
At 31 December 2014	**3,848**
At 31 December 2013	4,050

Details of goodwill allocated to cash-generating units (CGUs) are as follows:

	Goodwill carrying amount	
	At 31 December 2014 £'000	At 31 December 2013 £'000
Rethink MEA FZCO	250	250
Berkley Recruitment (Group) Limited	2,887	3,089
Rethink Recruitment Solutions Limited	711	711
	3,848	4,050

Goodwill has been allocated to internal CGUs which have been deemed to be the applicable legal entities acquired. Goodwill has been tested for impairment at 31 December 2014 by reference to the recoverable amount of the CGU. No impairment is deemed necessary in the current year.

The recoverable amount of each CGU has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a one year period to 31 December 2014 and then extrapolated to 2019 and in perpetuity (with zero growth rate) thereafter.

Key assumptions included in the extrapolated projections are as follows:

	2014 All investments %	2013 All investments %
Discount rate	13.0%	13.0%
Growth rate and inflation	5.0%	5.0%

The value in use calculations uses a pre tax discount rate which has been derived from a post tax discount rate of 13% based on the Group's weighted average cost of capital. The growth rate and inflation have been based on independent economic data and reflect management's assessment of specific risks related to the CGUs, specifically in the geographic regions and market sectors of the acquisitions made in the current year.

Sensitivity to changes in assumptions

The actual total recoverable amounts for the appropriate CGUs exceed their carrying values by £11.0m (2013: £11.4m), with positive cash flows projected in all years.

There are no reasonably possible factors that would cause the carrying value to exceed the recoverable amount for all cash generating units except Berkley Recruitment (Group) Limited. Sensitivity analysis has been provided below for Berkley Recruitment (Group) Limited.

If any of the following changes were made to the key assumptions, the carrying amount and recoverable amount would be equal.

	Berkley Recruitment (Group) Limited
Discount rate	Increase from 13% to 21.6%
Growth rate	Reduction from 5% to minus 12.7%

11. Property, plant and equipment

Group	Improvements to property £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Under construction £'000	Total £'000
Cost						
At 1 January 2014	150	259	584	12	34	1,039
Additions	10	323	14	-	-	347
Disposals	(9)	(19)	-	(12)	(34)	(74)
At 31 December 2014	**151**	**563**	**598**	**-**	**-**	**1,312**
Depreciation						
At 1 January 2014	(137)	(68)	(441)	(12)	-	(658)
Charge for year	(14)	(91)	(129)	-	-	(234)
Disposals	3	8	-	12	-	23
At 31 December 2014	**(148)**	**(151)**	**(570)**	**-**	**-**	**(869)**
Net book value						
At 31 December 2014	**3**	**412**	**28**	**-**	**-**	**443**
At 31 December 2013	13	191	143	-	34	381

The net book value of tangible fixed assets for the Group includes an amount of £206k (2013: £103k) in respect of assets held under finance leases and hire purchase contracts. All these assets are classified as computer equipment and fixtures and fittings.

	Improvements to property £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Under construction £'000	Total £'000
Cost						
At 1 January 2013	146	348	762	12	65	1,333
Additions	9	44	27	-	73	153
Disposals	(5)	(133)	(205)	-	(104)	(447)
At 31 December 2013	**150**	**259**	**584**	**12**	**34**	**1,039**
Depreciation						
At 1 January 2012	123	158	510	12	-	803
Charge for year	19	41	93	-	-	153
Disposals	(5)	(131)	(162)	-	-	(298)
At 31 December 2013	**137**	**68**	**441**	**12**	**-**	**658**
Net book value						
At 31 December 2013	**13**	**191**	**143**	**-**	**34**	**381**
At 31 December 2012	23	190	252	-	65	530

Company	Improvements to property £'000	Fixtures and fittings £'000	Computer equipment £'000	Under construction £'000	Total £'000
Cost					
At 1 January 2014	**46**	**45**	**40**	**21**	**152**
Additions	**10**	**268**	**5**	**-**	**283**
Disposals	**-**	**-**	**-**	**(21)**	**(21)**
At 31 December 2014	**56**	**313**	**45**	**-**	**413**
Depreciation					
At 1 January 2014	**(34)**	**(14)**	**(13)**	**-**	**(61)**
Charge for year	**(9)**	**(54)**	**(12)**	**-**	**(75)**
At 31 December 2014	**(43)**	**(68)**	**(25)**	**-**	**(136)**
Net book value					
At 31 December 2014	**13**	**245**	**20**	**-**	**277**
At 31 December 2013	12	31	25	21	91

The net book value of tangible fixed assets for the Company includes an amount of £206k (2013: £nil) in respect of assets held under finance leases and hire purchase contracts.

Company	Improvements to property £'000	Fixtures and fittings £'000	Computer equipment £'000	Under construction £'000	Total £'000
Cost	46	39	32	8	125
At 1 January 2013	-	6	10	45	61
Additions	-	-	(2)	(32)	(34)
At 31 December 2013	**46**	**45**	**40**	**21**	**152**
Depreciation					
At 1 January 2013	26	6	6	-	38
Charge for year	8	8	7	-	23
At 31 December 2013	**34**	**14**	**13**	**-**	**61**
Net book value					
At 31 December 2013	**12**	**31**	**27**	**21**	**91**
At 31 December 2012	20	33	26	8	87

12. Intangible assets

Group	Development costs £'000	Software licences £'000	Total £'000
Cost			
At 1 January 2014	**82**	**36**	**118**
Additions – internally developed	**146**	**-**	**146**
At 31 December 2014	**228**	**36**	**264**
Amortisation			
At 1 January 2014	**30**	**34**	**64**
Charge for year	**44**	**1**	**45**
At 31 December 2014	**74**	**35**	**109**
Net book value			
At 31 December 2014	**154**	**1**	**155**
At 31 December 2013	**52**	**2**	**54**

Software licences are acquired separately and are leased to clients. Development costs are all internally generated and in relation to new software products.

Group	Development costs £'000	Software licences £'000	Total £'000
Cost			
At 1 January 2013	215	76	291
Additions – internally developed	32	-	32
Disposals	(165)	(40)	(205)
At 31 December 2013	82	36	118
Amortisation			
At 1 January 2013	139	72	212
Charge for Year	20	3	22
Disposals	(129)	(41)	(170)
At 31 December 2013	30	34	64
Net book value			
At 31 December 2013	52	2	54
At 31 December 2012	77	3	80

Company	Development costs £'000	Total £'000
Cost		
At 1 January 2014	**22**	**22**
Additions – internally developed	**80**	**80**
At 31 December 2014	**102**	**102**
Amortisation		
At 1 January 2014	**11**	**11**
Charge for year	**15**	**15**
At 31 December 2014	**26**	**26**
Net book value		
At 31 December 2014	**76**	**76**
At 31 December 2013	11	11

Company	Development costs £'000	Total £'000
Cost		
At 1 January 2013	22	22
At 31 December 2013	22	22
Amortisation		
At 1 January 2013	3	3
Charge for year	8	8
At 31 December 2013	11	11
Net book value		
At 31 December 2013	11	11
At 31 December 2012	19	19

13. Investments

Group	**Other investments £'000**
Cost	
At 1 January 2014	**12**
Revaluation	**1**
At 31 December 2014	**13**
Net book value	
At 31 December 2014	**13**
At 31 December 2013	12

Company	**Subsidiaries £'000**	**Other investments £'000**	**Total £'000**
Cost			
At 1 January 2014	**509**	**12**	**521**
Additions	**50**	**-**	**50**
At 31 December 2014	**559**	**12**	**571**
Net book value	**559**	**12**	**571**
At 31 December 2014			

Company	**Subsidiaries £'000**	**Other investments £'000**	**Total £'000**
Cost			
At 1 January 2013	509	5	514
Additions	-	7	7
At 31 December 2013	509	12	521
Net book value			
At 31 December 2013	509	12	521

The principal subsidiaries of the Rethink Group Ltd, all of which have been included in the consolidated financial statements are as follows:

Name	Nature of business	Country of incorporation	Proportion of ownership interest and Ordinary share capital held
Rethink Professional Services Limited	Talent Management	England	100%
Rethink Recruitment Solutions Limited	Recruitment Services	England	100%
Otravida Search Limited	Recruitment Services	England	100%
Rethink MEA FZCO*	Recruitment Services	UAE	100%
Berkley Recruitment (Group) Limited*	Recruitment Services	Ireland	100%
Berkley Recruitment Group (Asia) Pte. Limited*	Recruitment Services	Singapore	100%
Rethink Acquisitions Limited	Holding Company	England	100%
Rethink Group Inc.	Recruitment Services	USA	100%
TM Management Solutions Limited	Talent Management	England	100%

* The shareholding in these companies are indirect via a subsidiary undertaking.

During 2014 an investment was made in TM Management Solutions Limited, a newly incorporated company, acquiring 100% of the ownership interest and ordinary share capital.

14. Trade and other receivables

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Trade receivables	**23,810**	22,539	**-**	-
Amounts owed by Group undertakings	**-**	-	**11,416**	8,367
Other receivables	**507**	396	**217**	357
Social Security and other taxes	**209**		**140**	-
Accruals and deferred revenue	**17**	-	**17**	-
Prepayments and accrued income	**985**	2,335	**-**	-
	25,528	25,270	**11,790**	8,724

The fair value of trade and other receivables is not materially different to the carrying amount.

Included within Group trade receivables is an amount of £23,208k (2013: £21,843k) subject to invoice discounting.

Trade receivables subject to invoice discounting are recognised as the Group retains the significant risks and benefits. Payments received from invoice discounting providers are shown as advances on invoice discounting facility (note 16).

15. Trade and other payables

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Trade payables	**8,774**	8,209	**258**	240
Amounts owed to Group undertakings	**-**	-	**8,769**	5,057
Social security and other taxes	**2,935**	2,434	**75**	71
Other payables	**215**	182	**30**	63
Accruals	**1,381**	1,035	**-**	-
	13,305	11,860	**9,132**	5,431

Book values of trade and other payables approximate to fair value.

16. Financial liabilities – loans and borrowings

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Current:				
Finance lease	**95**	35	**95**	35
Bank Term Loan	**500**	-	**-**	-
Advances on invoice discounting facility	**11,011**	13,304	**-**	-
	11,606	13,339	**95**	35

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Non-current:				
Finance lease	**94**	7	**94**	7
Bank Term Loan	**958**	-	**-**	-
	1,052	7	**94**	7

The total minimum amount of future finance lease payments are due as follows:

	2014 £'000	2013 £'000
Not later than one year	**95**	35
Later than one year and not later than five years	**94**	7
	189	42

The difference between the total minimum amount of future finance lease payments and total liability are future interest payments. An analysis of the interest rate payable on financial liabilities and information about fair values is given in note 19.

The present value of future lease payments approximates to the book value.

17. Operating leasing agreements
The Group leases its properties. The terms of property leases vary from location to location, although they all tend to be tenant repairing with rent reviews every two to five years, and typically have break clauses.

The total future minimum lease payments are due as follows:

	Non-cancellable operating leases	
	2014	2013
Group	**£'000**	£'000
Not later than one year	**593**	257
Later than one year and not later than five years	**1,663**	247
	2,256	504

	2014	2013
Company	**£'000**	£'000
Not later than one year	**468**	257
Later than one year and not later than five years	**1,440**	247
	1,908	504

18. Share-based payment
The Group operates a share option scheme for employees, being an Enterprise Management Incentive scheme (EMI). The EMI options are subject to the employee being employed at the vesting qualification point. Share options were also issued outside of the EMI.

The total options vest as set out below:

	31 December 2014		31 December 2013	
	Weighted average exercise price £	**Number**	Weighted average exercise price £	Number
Outstanding at beginning of year	**0.062**	**17,961,864**	0.093	23,125,614
Granted during the year	**-**	**-**	0.065	6,422,423
Exercised during the year	**-**	**-**	0.040	(2,375,000)
Lapsed during the year	**0.098**	**(1,172,500)**	0.098	(9,211,173)
Outstanding at end of year	**0.062**	**16,789,364**	0.062	17,961,864

Of the total number of options outstanding at the end of the year 8,445,000 (2013: 1,545,000) had vested and were exercisable at the end of the year.

The exercise price of options outstanding at the end of the year ranged between 6 pence and 6.12pence (2013: ranged between 6 pence and 6.12 pence).

Options granted during 2009 vest as follows:
50% of options 36 months after grant, with any options not exercised within 10 years, to lapse.
50% of options 60 months after grant, with any options not exercised within 10 years from the original grant, to lapse.

Options granted during 2010 vest as follows:

For 7,370,000 options granted during 2010:
50% of options 36 months after grant, with any options not exercised within 10 years, to lapse.
50% of options 60 months after grant, with any options not exercised within 10 years from the original grant, to lapse.
At the year end 2,652,500 options were still outstanding.

Options granted during 2011 vest as follows:

For 7,375,000 options granted during 2011:
50% of options 36 months after grant, with any options not exercised within 10 years, to lapse.
50% of options 60 months after grant, with any options not exercised within 10 years from the original grant, to lapse.
At the year end 2,495,000 options were still outstanding.

For 4,809,000 options granted during 2011:
100% of options 36 months after grant, with any options not exercised within 10 years, to lapse.
At the year end 4,809,000 options were still outstanding.
Options granted during 2012 vest as follows:

For 4,552,864 options granted during 2012:
50% of options 36 months after grant, with any options not exercised within 10 years, to lapse.
50% of options 48 months after grant, with any options not exercised within 10 years from the original grant, to lapse.
At the year end 1,790,441 options were still outstanding.

Options granted during 2013 vest as follows:

For 2,182,423 options granted during 2013:
50% of options 36 months after grant, with any options not exercised within 10 years, to lapse.
50% of options 60 months after grant, with any options not exercised within 10 years from the original grant, to lapse.

For 300,000 options granted during 2013:
100% of options 36 months after grant, with any options not exercised within 10 years, to lapse subject to performance criteria.

For 3,250,000 options granted during 2013:
33% of options 12 months after grant, with any options not exercised within 10 years, to lapse.
33% of options 24 months after grant, with any options not exercised within 10 years, to lapse.
33% of options 36 months after grant, with any options not exercised within 10 years, to lapse.

During the prior year any options outstanding considered to be underwater, priced at less than 6.75pence were modified and re-priced at 6.12pence

The weighted average fair value of each option granted during the prior year was £0.119.

There were no options granted or modified during the year. The following information is relevant in determination of the fair value of the options granted and modified during the prior year.

Option pricing model used	2014 Black-Scholes	2013 Black-Scholes
Weighted average share price at grant date (£)	0.164	0.164
Weighted average exercise price (£)	0.06	0.06
Weighted average volatility	15%	15%
Dividend growth	1.8%	1.8%
Weighted risk free interest rate	0.5%	0.5%

Volatility is based on management's best estimate having reviewed the average weekly share price of quoted comparable companies.

The Group did not enter into any share-based payment transactions with parties other than employees during 2014 or 2013.

A share-based payment has been charged to the statement of comprehensive income (Group and Company) of £15k (2013: £5k). The weighted average contractual life of options is 7.4 years (2013: 8.4 years).

19. Financial instruments – risk exposure and management
All financial assets are held as loans and receivables. All financial liabilities are held at amortised cost.

The Group is exposed through its operations to one or more of the following financial risks that arise from its use of financial instruments.

- Market risk
- Foreign currency risk
- Credit risk
- Liquidity risk
- Interest rate risk

Policy for managing these risks is set by the Board following recommendations from the Chief Financial Officer. Certain risks are managed centrally, while others are managed locally following guidelines communicated from the Board. The policy for each risk is described in more detail below.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rate (interest rate risk).

Foreign currency risk
Foreign currency risk arises due to contractors and/or clients being based in countries whose functional currency is not the same as the Group's primary functional currency (sterling). Transactions involving overseas contractors and clients are exposed to currency risk giving rise to gains or losses on translation into sterling. Currencies the Group transacts in are US dollars, Singapore dollars, euros and Arab Emirate dirhams. Risk is mitigated by ensuring wherever possible sales transactions are in the same currency as the relevant costs of sale transactions.

As the Group mitigates foreign currency risk by offsetting gains and losses on sales and cost of sales transactions, the impact on the financial statements of a 1% change in the exchange rates during the year would have been negligible (2013: negligible).

Credit risk
The Group is mainly exposed to credit risk from invoiced sales where cash is not received at the statement of financial position date. However, the Group reduces its risk through appropriate use of credit insurance, when available, with a maximum insured balance per individual claim of £750k, but extended to £2m for the Group's largest customer (2013: £2m).

The Group also maintains invoice discounting facilities which enable its receivables to be financed. At the statement of financial position date £3,689k (2013: £2,886k) of trade receivables was considered overdue and not impaired. Aging of the trade receivables considered overdue is as follows:

Days from date of invoice	**2014 £'000**	2013 £'000
16–30	**304**	40
30–60	**1,880**	1,826
60–90	**778**	514
90–120	**463**	242
>120	**264**	264
Individually impaired amounts		-
	3,689	2,886

Of the trade receivables considered overdue £3,406k (2013: £2,569k) is subject to credit insurance.

Regular management review is made to assess the recoverability of gross receivables and provision is made accordingly. No provision has been made against trade receivables in the current and prior year.

The Group has a wide range of customers and seeks to constantly develop and broaden its relationships. Current active customer numbers exceed 690. The top 10 customers of the Group account for 50% of revenue in 2014 (2013: 49%).
Trade receivables at the statement of financial position date relating to the top 10 customers are as follows:

	2014 £'000	2013 £'000
Balance at 31 December	**8,257**	7,545

Having considered concentrations of credit risk, the Group believes risk across trade receivables to be low (and hence the quality of debtors as high) for the following reasons:

- The customer portfolio, whilst including a number of individually significant accounts, largely comprises of substantial 'blue chip' companies operating in a variety of sectors where the historic incidence of bad debt has been negligible.
- Year end bad debt provisioning, after detailed review is negligible.

Additional analysis of our year end trade receivables is:

	2014 £'000	2013 £'000
Commercial	**22,728**	22,185
Public sector bodies	**1,081**	354
	23,809	22,539

The Board do not consider there to be significant concentrations of commercial customers with shared characteristics, other than predominantly operating in the UK, with the only other concentration of risk potentially being the public sector where the Board believes credit risk to be low. The Group's total exposure to debt risk is trade debtors of £23,809k (2013: £22,539k).

At the year end, the Company was owed £11,553k (2013: £8,367k) by its subsidiaries. The Company has made no provision for impairment of this debt (2013: £nil).

During the course of the year, the Group has continued to develop its business in the Middle East and with it, its exposure to a market with less rigorous payment processes. The Directors ensure that these credit risk challenges are minimised by maintaining careful monitoring of these clients.

Liquidity risk
Liquidity risk arises from the Group's management of working capital and finance charges. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The liquidity risk is managed centrally by the finance function. Budgets are set locally and centrally, and are agreed by the Board annually in advance, enabling the Group's cash flow requirements to be anticipated. Where facilities of Group entities need to be increased, approval of the Chief Financial Officer must be sought. When the amount of the facility is above a certain level the agreement of the Board is needed.

Interest rate risk
The Group's external borrowings at the statement of financial position date comprise a short-term loan and an invoice discounting facility. The Group does not seek to fix interest on this borrowing, as the Board considers the exposure to interest rate risk acceptable, due to the low levels of debt.

The interest profile of the Group's financial assets and liabilities are as follows:

Invoice discounting liabilities are payable at 2.3% (2013: 2.3%) above LIBOR.

The term loan liability will have interest charged on the amount outstanding of 3% above LIBOR.

There was no overdraft facility during 2014 or 2013.

If during the year base rates had been 0.5% higher, interest charges would have been £69k higher (2013: £69k), with a corresponding decrease in net assets.

Capital Disclosures

The Group's objectives when maintaining capital are:
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders commensurate with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Total capital is categorised as follows:

	2014 £'000	2013 £'000
Share capital	**86**	117
Capital redemption reserve	**31**	-
Share premium account	**3,238**	3,238
Retained earnings	**2,048**	2,739
	5,403	6,094

To the extent financial assets and liabilities are not carried at fair value in the statements of financial position, book value approximates to fair value at 31 December 2014 and 2013.

20. Financial assets and liabilities – other disclosures

Maturity of financial liabilities
The following table illustrates the contractual maturity of the Group's financial liabilities, excluding bank borrowing and finance leases that must be settled gross, based where relevant, on interest rates and exchange rates prevailing at the statement of financial position date.

	At 31 December 2014 £'000	At 31 December 2013 £'000
In less than one year	**13,080**	11,860

The maturity of trade and other payables is as follows:

	At 31 December 2014 £'000	At 31 December 2013 £'000
Days from date of invoice		
0–30	**8,566**	7,918
30–60	**161**	37
60–90	**45**	139
90–120	**2**	52
>120	**65**	63
	8,839	8,209

Maturity of bank balances is shown below.

Finance facilities

The Group's principal bankers are Bank Leumi, through whom there is a main invoice discounting facility of £20m (2013: £20m). The principal terms of this invoice discounting facility are that it is an umbrella Group facility with 90% availability against sales invoices. In November 2014, the facility from Leumi was increased to £21.5m with the provision of a new £1.5m term loan, repayable over three years.

Borrowing facilities

The Group had undrawn committed borrowing facilities available at 31 December 2014. All bank borrowings are secured by fixed and floating charges in favour of the Group's bankers. All bank borrowings are on a floating rate fixed above base rate. The carrying value of assets pledged as security at 31 December 2014 is £31,331k (2013: £31,429k).

Subject to the above, the invoice discounting facility takes first security over the trade receivables. Facilities available but not utilised at statement of financial position date are as follows:

	At 31 December 2014 £'000	At 31 December 2013 £'000
Invoice discounting – expiry within one year	**8,989**	6,696
	8,989	6,696

Invoice discounting is available within the overall limits as set out above but is further restricted by conditions including total value of sales invoices raised, percentage entitlement and specific debt exclusion.

21. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (2013: 20%).

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets because the Directors believe that it is probable that these assets will be recovered.

Deferred tax liabilities have been recognised in respect of temporary differences with regard to capital allowances in advance of depreciation giving rise to deferred tax liabilities because it is probable that these amounts will become payable.

The movements in deferred tax assets and liabilities during the year are shown below.

Details of the deferred tax asset, amounts charged to the consolidated statement of comprehensive income and amounts charged to reserves are as follows:

Group	**31 December 2014 £'000**	31 December 2013 £'000
At start of year	**12**	13
Previously recognised deferred tax assets written off in the year	**-**	2
Charge for the year	**17**	(3)
At end of year	**29**	12
Deferred tax asset	**70**	62
Deferred tax liability	**(41)**	(50)
	30	12

The Company has a deferred tax liability of £7k (2013: £16k).

22. Share capital

Group and Company	At 31 December 2014		At 31 December 2013	
Authorised	**Number**	**£'000**	Number	£'000
Ordinary shares of 0.1p	**145,000,000**	**145**	145,000,000	145

	At 31 December 2014		At 31 December 2013	
Issued Ordinary shares of 0.1p each	**Number**	**£'000**	Number	£'000
At the beginning of the year	**116,517,768**	**117**	114,142,786	114
Issued during the year	-	-	-	-
Share options exercised	-	-	2,375,000	3
Shares repurchased and cancelled	**(31,353,038)**	**(31)**	-	-
At the end of the year	**85,164,730**	**86**	116,517,786	117

	At 31 December 2014		At 31 December 2013	
Allotted, issued and fully paid	**Number**	**£'000**	Number	£'000
Ordinary shares of 0.1p	**85,164,730**	**86**	116,517,786	117

During the year the company repurchased and cancelled 31,353,038 shares for £1,567,652 and consequently delisted from the AIM stock exchange.

On cancellation of the shares a capital redemption reserve of £31k was created.

23. Reserves
Reserves consist of the following:

Share capital – Share capital records the nominal value of shares in issue.

Share premium account – Amounts subscribed for share capital in excess of nominal value.

Capital redemption reserve – records the nominal value of shares repurchased by the Company and cancelled.

Merger reserve – Amounts subscribed for share capital in excess of nominal value on acquisition of another company.

Translation reserve – Represents the gain or loss arising on the translation of the foreign subsidiary.

Shares to be issued – Shares for which consideration has been received but which are not yet issued.

Retained earnings – Represents total comprehensive income less any amounts dealt with in other reserves.

24. Related party disclosures

Details of key management's emoluments are given in note 3. Directors are considered to be the only key management personnel.

Options over shares in the Company held or granted to the Directors who served during the year were as follows:

	Grant date	Option price	Options at 31 December 2014	Options exercised in the year	Gain on options exercised in the year £'000
R O'Callaghan	16 December 2010	6.12p	250,000	-	-
	and 15 November 2011	6.12p	250,000	-	-
F Brosnan	21 June 2011	6.12p	2,404,500	-	-
S Greenwood	21 June 2011	6.12p	2,404,500	-	-
S Wright	17 April 2012	6.12p	2,590,364	-	-
			7,899,364	-	-

There are no trading transactions between the parent and subsidiaries other than recharges of costs incurred. Amounts outstanding at 31 December 2014 and 2013 are disclosed within notes 14 and 15.

During the year the Group incurred costs of £58k (2013: £68k) from Capel Property. This business is a partnership between directors S Greenwood and F Brosnan, and is in reference to two separate office property leases in Dublin and Cork. There was no outstanding balance at 31 December 2014.

At the year end there were two loans outstanding with directors of subsidiary companies within the group. An amount of £189,979, which is inclusive of interest, charged daily at a rate of 0.5% per month. There was also an amount of £2,562, which is interest free. Both loans are to be settled in cash.

25. Discontinued operations

In the prior year, November 2013, the Group sold its 100% interest in Aiimi Limited. This is the only operation presented within the Technology services segment. The post tax gain on disposal of discontinued operations was determined as follows
:

	31 December 2013 £'000
Consideration received (and net cash inflow):	
Cash	220
Other*	410
Total consideration received	**630**
Net assets disposed of:	
Property plant and equipment	12
Intangibles	35
Trade and other receivables	894
Trade and other payables	(641)
At end of year	300
Gain on disposal of discontinued operations	330

* Included in Other consideration are 3,600,000 ordinary shares in the Company previously owned by the managing director of Aiimi Limited (and previously a director of the Company) that have been placed with a third party for the benefit of the Company. As the Company has all the risks and rewards of the shares they have been recognised as part consideration for the sale of Aiimi at fair value at date of sale, being the mid-market share price of 6.38 pence. The shares have been correspondingly debited to equity reflecting the fact they are in substance 'own shares held', but not legally 'treasury shares'. As at 31 December 2014 these shares are still held by the third party.

The post tax-gain on disposal of discontinued operations was determined as follows:

Result of discontinued operation	31 December 2013 £'000
Revenue	3,113
Expenses other than finance costs	(3,232)
Finance costs	(13)
Tax expense	-
Gain from selling discontinued operation after tax	330
At end of year	198

Earnings per share from discontinued operation	31 December 2013 £'000
Basic earnings per share	0.171
Diluted earnings per share	0.171

Statement of cash flows

The statement of cash flows includes the following amounts relating to discontinued operations:	31 December 2013 £'000
Operating activities	241
Investing activities	283
Financing activities	13
Net cash from discontinued operations	537

26. Post Balance Sheet Events
On 10 April 2015, Rethink completed the acquisition of the Consort Group Ltd, a niche Talent Management service provider which the Board believes will enhance the existing Group's Talent Management and recruitment capabilities. Upfront cash consideration of £3.9m was paid with a further £4.2m of deferred consideration payable over two years, based on Consort achieving certain revenue and EBITDA levels during that period. The deferred consideration will be settled through a mixture of cash and Company shares.

The upfront consideration for the Consort acquisition was part funded by the Business Growth Fund ("BGF") through the issue of 17.4m new ordinary shares in the Company for £0.87m and a new five year £1.25m unsecured loan note. Immediately following the share placing, the BGF will hold a 23.9% shareholding in the Company.

27. Ultimate controlling party
The Directors do not consider any one party to exercise ultimate control over the Group.

Company information

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P Crystal
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B Felton

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FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

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