TMF GROUP

Global reach
Local knowledge

TMF Group Holding B.V.
Consolidated Annual Report

2014

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Directors' review

TMF Group is a leading global provider of high value business services to clients operating and investing internationally. TMF Group focuses on providing highly specialized and business-critical financial, legal and human resource administrative services that enable clients to operate their corporate structures, finance vehicles and investment funds in different geographical locations. TMF Group has more than 120 offices located in 79 countries or 83 jurisdictions across the Americas, Asia Pacific, Europe, Africa and the Middle East. The range of services provided covers:

- Corporate Services – Integrated legal, administrative and accounting services for companies' operations from inception through day-to-day functions to liquidation;

- Structured Finance Services – Creating and administering financial vehicles for securitization transactions, structured asset leasing and project finance transactions; and

- Private Client Services – Administering corporate structures for high net worth individuals for wealth planning purposes.

Across the range of services, TMF Group offers a core set of competencies that form the heart of its product offering to clients:

- Financial Administrative Services – TMF Group provides a range of financial, accounting and reporting services to assist its clients with their financial reporting in a transparent, up-to-date and accurate manner. Among these financial administrative services, TMF Group provides international management and consolidated reporting in any major standard (IFRS, US, UK or other major GAAP) and TMF Group prepares statutory accounts to comply with local law requirements. TMF Group also provides assistance with the registration, recovery and compliance with value-added taxes ("VAT"), goods and services taxes ("GST"), insurance premium tax ("IPT") and other indirect taxes, including the payment and collection of refunds.

- Legal Administrative Services – TMF Group provides a variety of legal services to its clients in connection with establishing and maintaining financing and holding companies and other structures in compliance with applicable local laws. These services include establishing corporate entities to serve as finance companies or as operating companies, as well as managing corporate compliance procedures, such as organizing and recording board and shareholders' meetings. TMF Group also provides domiciliary and management services, as well as local representatives and directors with the necessary expertise required for clients to conduct business in a particular jurisdiction.

- Human Resource Administrative Services – TMF Group provides a wide range of human resource and payroll services, including payroll processing, management reporting and costs analysis and outsourced human resource services. TMF Group's specialists can act as a client's local human resources function, preparing employment contracts and guidelines, providing employee training assistance and securely maintaining personal confidential information.

TMF Group's service offering enables its clients to focus on their core competencies while TMF Group ensures that critical local administrative functions, that clients may have less experience in providing, are performed to a high standard. In doing so, TMF Group helps its clients to (i) gain access to specialist local knowledge, including regulatory, tax and financial reporting expertise that would be challenging or inefficient to develop internally, (ii) reduce the risks and distractions of managing complex accounting, legal and human resource regulations in multiple countries, (iii) control costs by taking over the back office administration and reporting functions of their international offices that are not large enough to justify the administrative overhead, (iv) simplify operations by providing a single point-of-contact from anywhere in the world, often resulting in increased transparency for clients, and (v) execute globalization plans swiftly and flexibly by using its worldwide network of local offices and experts to assist on administrative matters.

TMF Group's success to date and potential for future growth are primarily attributable to the following strengths:

A Leading Provider of High Value Business Services with a Broad Geographic Footprint and Service Offering

TMF Group is a leading global provider of high value business-critical financial, legal and human resource administrative services with an established track record and strong reputation for delivering high quality service to clients. In addition, TMF Group benefits from being a neutral, execution-only provider as TMF Group is not affiliated with any audit, tax, financial or law firm. Because TMF Group does not have such affiliations, TMF Group can provide clients with a broad range of services which many international audit and legal firms cannot or do not offer due to conflicts issues.

TMF Group is able to offer multiple competencies across several areas in end-markets around the globe. By comparison, many of the competitors do not offer all of the services or do not offer services in all of the jurisdictions where TMF Group has a presence, either due to lack of local expertise or conflict of interest. TMF Group has currently 120 offices located in 79 countries or 83 jurisdictions, including major developing markets such as Brazil, India, Russia and China, which enables clients to conduct business globally using a single provider. This provides TMF Group with the opportunity to service clients as they expand geographically.

Local Expertise and Provision of Value added Services

TMF Group offers a range of customized service offerings to help clients manage various administrative, corporate compliance and reporting requirements. Through TMF Group's experienced global workforce, TMF Group provides clients with access to local expertise across its offices, enabling them to operate their business in many jurisdictions with confidence and at lower costs than if such businesses performed those services on their own.

TMF Group provides a range of financial, accounting and reporting services to assist clients with their financial reporting in a transparent, up-to-date and accurate manner. TMF Group also provides non-advisory services to clients to establish and maintain financing, holding and other structures in compliance with applicable local laws. TMF Group provides a range of flexible and scalable human resource and payroll services at the local level in the jurisdictions in which TMF Group operates. These services cover numerous aspects of employee-related administrative affairs, including payroll processing, management reporting and costs analysis and outsourced human resource services.

The majority of the services TMF Group provides ensure that clients' administrative and financial processes are compliant with relevant regulations. Thus, the services are critical to clients from a financial, reputational and risk management perspective. The effectiveness of the services depends on a combination of local knowledge of relevant regulatory frameworks and expertise. Such a combination can be costly for clients to develop internally in each of their locations and, frequently, clients do not have the local scale or desire to perform these functions themselves. TMF Group's services not only generally reduce operating costs for clients, but also typically reduce initial start-up costs associated with entering a new jurisdiction, increase the speed at which clients can set up new subsidiaries and preserve operational flexibility by allowing clients to scale their operations up or down with greater ease. As a result, TMF Group's services allow clients to focus their resources on revenue generating operations and reduce associated administrative, compliance and reporting expenses, without sacrificing the integrity of such functions.

Resilient Business Model Based on Stable Revenue Generation and Strong Cash Conversion

Once established, the services TMF Group provides to clients have historically had a high degree of predictability, with macro-economic fluctuations in any particular country or globally generally having limited impact on clients' requirements for financial, legal and human resource administrative services or on the number of existing structures that TMF Group services. For instance, many of the services, such as statutory accounting and corporate filings by clients, are legally required on an annual basis regardless of a client's overall financial or operational performance.

Generally, TMF Group's service contracts generate revenue based on either a fixed fee, an hourly rate, or both. TMF Group has a relatively stable client base with client entity retention rates of approximately 87%, which reflects the largely recurring nature of the business. This has historically resulted in generally predictable revenue generation that provides us visibility over a significant portion of the expected annual revenue at the commencement of each financial year.

TMF Group also benefits from strong cash conversion. TMF Group is a service-focused business with relatively limited need for land, plant or equipment or, compared to more generic business process outsourcing providers, complex IT infrastructure and therefore has limited requirements for capital expenditure. TMF Group also has limited working capital needs because client receivables are partially offset by advanced payments from clients.

Favourable Global Economic and Regulatory Trends

TMF Group expects that growth in the business will continue to be driven by the trend towards globalization, exhibited by multi-national corporations expanding outside of their home jurisdiction. In expanding operations globally, TMF Group believes that clients and potential clients will likely increasingly rely on outside service providers to deal with the global trend towards increasing regulation and an emphasis on transparency of corporate and financial activities. TMF Group expects each of these trends to continue to support the expansion of the business in the near- to medium-term. In particular, TMF Group expects to benefit from the following trends:

- Continued international expansion by businesses. The international expansion of current and potential clients drives the business. As companies expand into new geographies, it is often easier to engage TMF Group to provide administrative support so that clients do not need to invest in local infrastructure (particularly where they are establishing only a small presence) and can instead focus on their core business. Rising levels of foreign direct investment across international borders from advanced economies to developing economies and between advanced and developing economies in recent years has helped TMF Group expand its business, and TMF Group expects that this increasing globalization will help it to continue to grow.

- Increasingly stringent regulatory regimes. The global trend of increased regulation and enforcement thereof has emphasized the importance of local regulatory and compliance expertise. The wide variety of local legal and regulatory requirements highlights the need for specific local expertise, especially for businesses that lack the critical mass to obtain and maintain such expertise in-house. Increasingly complex regulatory and tax environments and differing accounting standards in individual geographies drive demand for book-keeping

and reporting services.

- Increased transparency and independence. The recent economic crisis has led to increased demand for transparency in accounting and reporting. For example, in TMF Group's structured financial services business, the demand for more current and accurate reporting as to the performance of a structure and demand for independence in administration of such structures, has created increased demand for services from structured vehicle clients.

- Evolving client needs. Clients increasingly outsource non-core functions and demand global solutions for their outsourced administrative services needs. For example, it is easier, and TMF Group believes often cheaper, for a client to engage a single reliable firm to perform their bookkeeping, local reporting and human resources administration services across a number of countries than to engage different providers in each country.

TMF Group's global network of offices provides an effective platform for capitalizing on these trends and the scalability and resources to take advantage of growth in any particular market. These trends will also attract new clients and provide TMF Group with opportunities to cross-sell to existing clients.

Diverse Client Base

TMF Group has a diverse client base within the Fortune 500, TMF Group serves 44% of the Top 50 of the Fortune Global 500. Across the range of services, TMF Group has a diverse client base which includes multinational companies of varying sizes, insurance and real estate companies, financial institutions, listed and private companies as well as high net-worth individuals. At the end of 2014 TMF Group provides services to more than 38,000 client entities. TMF Group has worked with organizations located in a broad range of geographies across a spectrum of industries, and TMF Group has formed specialized teams with the necessary sector experience to ensure the continued quality of the service offerings. This industry-focused approach has enabled TMF Group to offer a comprehensive suite of specific tailored services to clients and to leverage these capabilities to win additional clients. For example, TMF Group's expertise in servicing a particular industry also enables TMF Group to develop client relationships that may involve only a few tasks upon the initial engagement, but can later develop into a broader engagement whereby TMF Group provides such a client with new services or the same services, but in multiple jurisdictions.

Strategy and Future developments

The key components of TMF's strategy are as follows:

Continued Growth with Existing Client Base

TMF Group has a broad and diverse client base that includes many leading global corporations. There are significant opportunities to provide additional services to the existing clients and the group intends to leverage its extensive service range and expertise to cross-sell other services TMF Group provides to the existing clients. To that end, TMF Group operates a global sales force that proactively manages client accounts and seeks to broaden the array of services TMF Group provides to clients. TMF Group also leverages its international network to offer its services to clients in any jurisdiction where they do business. For example, for some clients, TMF Group provides administrative services in some countries where they operate but not others. TMF Group intends to use its broad geographic footprint to provide clients with a seamless service and single point of contact wherever in the world they look to do business.

Further Growth of the Network

TMF Group's growth strategy is based primarily on balanced organic growth. TMF Group expects to continue to expand its operations in particular countries such as the United States, Brazil, Russia, India and China. TMF Group pursues organic growth by expanding the size of the existing offices to service new clients, providing additional types of services, and opening offices in new countries or expanding the number of offices in a country. TMF Group typically opens new offices when TMF Group has requests from existing clients to provide services in new locations. These are often in locations where TMF Group has previously referred client work to a third-party provider and has determined that future business prospects will be sufficient to cover the costs associated with opening a new office. During 2014 second offices were opened in Switzerland and Russia and new offices were opened in Greece, Qatar and various countries in Africa. TMF Group intends to continue to increase the scale of its global network through organic growth in regions where existing clients are present and where TMF Group sees attractive opportunities to win new clients. TMF Group may also expand operations through acquisitions that meet the investment criteria.

Expand the Range of Services

TMF Group continually assess the range of services it offers to meet the diverse needs of the clients. TMF Group continually evaluates the market demand for its services to determine whether there are additional opportunities to expand the range of services.

2014 performance

Throughout 2014 TMF Group maintained its operational focus on cash flow, profitability and driving organic growth. In addition, TMF Group acquired businesses in Indonesia, Asia Pacific and South Africa.

- TMF Group revenue increased 11.2% from €372.6 million to €414.3 million. At constant currency and adjusted for the acquisitions in Norway (end of 2013), Indonesia, APAC and South Africa and the disposal of the paralegal business in Brazil, revenue growth was 8.7%;
- TMF Group reported an increase in EBITDA (Earnings before interest, income tax, depreciation, amortisation, impairment charges and other income/ expenses) of 9.7% from €105.3 million to €115.5 million. At constant currency and adjusted for the acquisitions in Norway (end of 2013), Indonesia, APAC and South Africa and the disposal of the paralegal business in Brazil, EBITDA growth was 8.0%;
- The decision was made to dispose of the funds administration business. The results for this have now been reflected as 'discontinued activities' and comparative figures are adjusted accordingly;
- The EBITDA margin decreased from 28.3% in 2013 to 27.9% in 2014;
- The net loss of the year increased by €19.5 million from €31.7 million to a loss of €51.2 million;
- cash generated from operations increased by €14.8 million from €96.3 million to €111.1 million or from 91% of EBITDA to 96% of EBITDA.
- Net debt to EBITDA was 4.96 times (2013: 5.12).

Mergers and acquisitions

Alongside TMF Group's strategies for organic growth, it is the Group's intention where appropriate to continue to invest in acquisitions that provide additional scale to the business, a specific service offering, assist in consolidating fragmented markets or address relevant geographical gaps. TMF Group uses a disciplined approach for all acquisition evaluations.

In January 2014 TMF Group acquired the assets and liabilities of PT Tass Axia Solusi, an Indonesian company, which will further enhance the group's presence in Indonesia.

In July 2014, TMF Group acquired the shares of KCS Limited, an independent pan-Asian corporate services provider specialized in corporate accounting and payroll services, and merged this business into TMF Group. The legal transfer

of the shares took place in August 2014. This acquisition significantly strengthens TMF Group's presence in the APAC region.

In November 2014, TMF Group acquired the shares of GMG Trust, a South African provider of fiduciary services to the financial services industry. This acquisition enhances TMF Group's presence in South Africa, which helps to accelerate the African growth strategy of TMF Group.

In January 2015, a sale and purchase agreement was signed for the acquisition of the shares of Axiss International Management Ltd, a fiduciary service provider on the Cayman Islands. The acquisition is subject to approval of the Cayman regulator.

In March 2015, TMF Group acquired the shares of PwC Apriori Serviços Contábeis Ltda ('Apriori SC') and PwC Apriori Tecnologia da Informação Ltda ('Apriori TI'). Apriori SC and Apriori TI are both corporate service providers in Brazil. The acquisition enhances the presence of TMF Group in Brazil significantly.

Disposals

In January 2014 TMF Group also acquired the non-controlling interest in the Custom House Group, which enabled the group to integrate the Custom House Group with TMF Group's other Fund Services activities. In December TMF came to an agreement with the management of the Fund Services activities to sell the Fund Services activities to the management. TMF Group will retain a 10% share in the Fund Services business.

In May 2014, TMF Group disposed of a small paralegal business in Brazil.

Regulatory and acceptance

The services rendered by TMF Group in various jurisdictions are regulated and subject to supervision (or self-regulation). This is the case in the following 19 jurisdictions:

Jurisdiction	Supervisory authority
Argentina	National Securities Commission, Central Bank of Argentina and Financial Information Unit (Ministry of Finance)
Bermuda	Bermuda Monetary Authority
British Virgin Islands	British Virgin Islands Financial Services Commission.
Cayman Islands	Cayman Islands Monetary Authority
Curacao	Central Bank of Curacao and Sint Maarten
Cyprus	Cyprus Securities and Exchange Commission
Guernsey	Guernsey Financial Services Commission
Ireland	The Financial Regulator and Department of Justice and Equality, Anti-Money Laundering Compliance Unit
Jersey	Jersey Financial Services Commission
Labuan	Security Commission, Labuan International Financial Exchange

	and Labuan Financial Services Authority
Luxembourg	Commission de Surveillance du Secteur Financier
Malaysia	Companies Commission of Malaysia (CCM) and Securities Commission
Malta	Maltese Financial Services Authority
Mauritius	Mauritius Financial Services Commission
Samoa	Samoa International Finance Authority
Singapore	Monetary Authority of Singapore
Switzerland	Self-regulatory body ARIF
The Netherlands	Dutch National Bank and Authority for the Financial Markets
Uruguay	Central Bank of Uruguay

The regulated entities within TMF Group are subject to regulatory provisions controlling their activities in the relevant jurisdictions and are subject to relevant regulations in those jurisdictions. Regulations in various jurisdictions include periodic review, client compliance procedures and other regulatory matters.

In the jurisdictions with regulated entities, the subsidiaries are supervised and hold an authorisation of the relevant governmental agency to conduct business on the basis of these subsidiaries demonstrating permanent compliance with anti-money laundering, counter terrorism and sanctions laws, the integrity of the business conduct and the permanent assessment of management of these subsidiaries on their fitness and properness to assume the managerial roles with the subsidiaries. In 5 jurisdictions (Argentina, the British Virgin Islands, Luxembourg, Malta and Singapore) TMF Group is furthermore subject to external governmental supervision on the financial soundness of the domestic businesses ensuring the continuity of the service offerings to clients.

TMF Group has a dedicated Group Compliance Office which emphasises the high importance that TMF Group places on the need to achieve the highest standards of regulatory compliance. TMF Group has put in place a range of procedures regarding client acceptance and transaction monitoring.

All new offices are introduced to TMF Group's Client Acceptance Policy by visits and presentations to staff by the Group Compliance Officer ('GCO') and are integrated into TMF Group's centralised database within a time frame set by the GCO. In addition to visits and presentations to the newly acquired businesses, the GCO and his staff regularly organise on site and on-line training sessions to keep staff on top of the latest anti-money laundering trends.

Transaction monitoring is entrenched in the day-to-day operations of the organization through workflow procedures, which ensures a clear segregation of duties and a minimum of independent second review where needed.

The Board of Directors recognize that the relevant policies require regular review and are confident that the GCO, Group Legal Counsel and operational management are experienced and well equipped to ensure "best practice" standards are maintained.

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Corporate responsibility

Our corporate responsibility agenda, embedded within our corporate strategy, has led us to look closely at our performance and processes within all areas of operation. This extends beyond our environmental impact to maintaining good workforce relations, providing fair employment and pay, and working against corruption in all its forms.

It has also led us to scrutinise our co-operation and interaction with our customers, suppliers and the communities in which we operate to ensure that we live up to the principles in our Code of Conduct.

We act with integrity and respect

TMF Group must ensure that all its staff, entities, and client entities, operate to the highest ethical and professional standards.

All staff are bound by our Code of Conduct which includes details of our Anti-Corruption and Anti-Bribery Policy. This is included in all inductions and staff also complete annual compliance training. In addition, our business units are audited for corruption risks as part of our standard internal audit checklist, as well as statutory external audits.

We embrace opportunity

As a forward-looking business we need to innovate and embrace new ways of working both for us and our clients.

Through our Target Operating Model (TOM), launched in 2013, we committed to become an open, transparent organisation with common business processes, governance and a consistent approach to the quality of client service. As part of this process we have introduced improved business performance management, workforce planning and business continuity. Our 'Lead to Revenue' project has enhanced sales performance and provided vital information to the business, while 2015 will see us take the first steps to achieving ISO 27001 and certain ISA 3402 accreditations across the business – optimising productivity and quality to deliver one seamless, integrated global organisation.

In order to consolidate our position in the market, we have made some key acquisitions and opened additional offices.

We love excellence

Meeting and exceeding our clients' expectations remains at the core of our business. We must constantly strive to develop and deliver services that the market needs and wants.

Following its launch in 2013, our Global Customer Satisfaction Survey has been completed in over 70 jurisdictions with its localised findings used to review and improve our service delivery. 2015 will also see the development and launch of TMF Group's first Client Charter and our aim, by the end of the year, is for 85% of customers to rate their relationship with TMF Group as 'good' or 'excellent'.

We are passionate

We are committed to developing and supporting our people across the organisation, and recognising and rewarding them appropriately for the work that they do.

In 2014 we employed on average 4,763 FTE in 79 countries, with the majority of this increase (approximately 550) due to our acquisition of KCS Limited and its subsidiaries.

Our global staff turnover also decreased from 24% to 21%. Where specific offices have been identified as having challenges, local retention plans have been put in place.

The results of our 2014 staff survey suggested that employees would like to better understand the link between pay and performance. A global review of pay and performance was completed and we will look to launch a new reward strategy in 2015.

In addition, in an effort to achieve global consistency, all TMF Group staff have been assessed and placed in of eight job bands (and associated competency criteria) which has created transparency around performance expectations.

We build for a sustainable future

Sustainability is a core part of our corporate strategy and foundation for business growth.TMF Group actively promotes greater social and environmental responsibility within our offices and encourages the adoption of environmentally friendly technologies.

Measuring our environmental impact through direct and indirect carbon emissions is something that we remain committed to monitoring. At present we are only able to generate CO2 numbers for our IT activity, which we saw increase by approximately 3-5% in 2014. This was due to an uplift of 15% in people, and associated equipment, but offset by the increased efficiency of new servers.

A requirement to comply with our sustainable procurement policy is included in all RFPs that are issued.

In addition, many offices continue to establish links with recognised local charities and community projects, as well as assisting local environmental and educational causes – including JA-YE, Europe's largest provider of entrepreneurship education programmes to school children and sponsorship of promising international MBA students at Nyenrode University. Several of our offices have also donated old IT equipment to be set up in classrooms in Africa and Latin America.

Diversity

TMF Group has long recognized the importance of diversity within our global workforce. This goes right through our organisation, starting with the Board of Directors. Gender is only one part of diversity, and TMF Directors will continue to be selected on the basis of their wide-ranging experience, backgrounds, skills, knowledge and insight.

Women comprise 75% of the Board of Directors and currently 20% of the executive team of TMF Group are women.

Ultimate holding company

TMF Group Holding B.V. (the 'Company') is the parent company of the operational entities within TMF Group (together the 'TMF Group'). TMF Group together with its two holding companies TMF Group HoldCo B.V. and TMF Orange Holding B.V., which are not included in these financial statements, are referred to as 'TMF'.

The shares in the Company are 100% held by TMF Group HoldCo B.V. TMF Group HoldCo B.V. is 100% owned by TMF Orange Holding B.V. 63.24% of the ordinary shares and all preference shares in TMF Orange Holding B.V. are indirectly held by Doughty Hanson & Co V (which comprises a series of English limited partnerships with each limited partnership having a common general partner in Doughty Hanson & Co V Limited) and indirectly by the employees of affiliates of Doughty Hanson & Co V Limited. The remaining 36.76% of the ordinary shares in TMF Orange Holding B.V. are indirectly held by current and previous management and employees of TMF Group.

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Summary

In 2014, TMF Group delivered organic revenue and EBITDA growth and was able to increase the business further due to three acquisitions. With this TMF Group has taken a number of steps to better position the group to capture the opportunities it believes exist for its services.

All of the above would not have been possible without the commitment and the dedication of TMF staff throughout the organisation for which we express our recognition and thanks.

Frederik van Tuyll van Serooskerken

Chief Executive Officer

Gordon Stuart

Chief Financial Officer

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Financial review

Basis of accounting

The financial statements are presented in accordance with applicable law and International Financial Reporting Standards, as adopted by the European Union ('IFRS'). TMF Group's significant accounting policies are detailed in note 2 on pages 43 to 56 and those that are most critical and/or require the greatest level of judgement are discussed in note 3 on page 57.

Operating results

Revenue

TMF Group's sole source of revenue is from the rendering of services. TMF Group provides services to clients on a time and cost basis or based on a fixed price contract or a combination of both. The exception to this are services where TMF Group receives fees per transaction, such as fees for incorporating special purpose vehicles. TMF Group fixes the rates for its services locally based on local market conditions and local management determinations of acceptable rates.

The majority of clients (i) do not have long-term contracts with TMF Group, or (ii) have contracts that may be terminated on short notice at the client's convenience. However, TMF Group's view is that there is an element of client loyalty based on TMF Group's depth of knowledge about each client and the potentially high costs and execution risk of moving providers, resulting in generally high retention rates. Historically, the main reasons for client churn are in-sourcing, clients exiting out of the market or leaving to competition.

Revenue from time and cost contracts is recognized at the contractual rates as time has been spent and direct expenses are incurred. Revenue from fixed price contracts is generally recognized in the period in which the services are provided, using a straight-line basis over the term of the contract.

Revenue amounted to €414.3 million in 2014, an increase of 11.2% compared to €372.6 million in 2013. The following table sets out TMF Group's revenue for the years 2012 to 2014:

In millions of Euro	2012	% cons. Rev.	2013	% cons. Rev.	2014	% cons. Rev.	Growth	% Growth
Total revenue	**359.0**		**372.6**		**414.3**		**41.7**	**11.2%**
Geographical segments								
Benelux	122.4	34%	125.8	34%	126.6	31%	0.8	0.6%
EMEA (excl. Benelux)	118.4	33%	122.8	33%	143.2	35%	20.4	16.6%
Americas	69.4	20%	70.3	19%	71.8	17%	1.5	2.1%
APAC	44.3	12%	48.2	13%	66.5	16%	18.3	38.0%
Other *	4.5	1%	5.5	1%	6.2	1%	0.7	12.7%
Business segments								
Corporate Services	293.3	82%	306.3	82%	345.3	83%	39.0	12.8%
Structured Finance Services	33.3	9%	37.7	10%	40.1	10%	2.4	6.4%
Private Client Services	32.4	9%	28.6	8%	28.9	7%	0.3	1.0%

*) Other includes the operations of International Licensing and Collection (Freeway) and International Pensions (Panthera).

All regions grew revenue in the year 2014. The revenue growth stems mainly from Corporate Services (€39.1 million or 12.8% growth).

As a result of TMF Group's global operations, a number of countries operate in currencies other than Euro. As a consequence, TMF Group is exposed to translation impacts as local currencies are translated into Euro. In 2014 this had a negative impact of €8.5 million, compared to the December 2013 revenue restated using 2014 rates. The constant currency growth in the year 2014 is €50.2 million or 13.8%.

The growth is impacted by four acquisitions (Accepta in Norway end of 2013, Tass Axia in Indonesia, KCS in APAC and GMG Trust in South Africa; total effect of €19.7 million), and impacted by one disposal (SERPAC, the paralegal business in Brazil; total effect of €(1.2) million). Adjusted for the acquisitions and the disposal and currency effect, the revenue growth in the year 2014 is 8.7%.

Geographical segments

Benelux:

The revenues in Benelux increased by €0.8 million, or 0.6 %, to €126.6 million in 2014, from €125.8 million in 2013, primarily as a result of increased revenue from the provision of Corporate Services in Belgium and Luxembourg, partly offset by a decrease in Structured Finance Services in Luxembourg. The revenue per average FTE in the Benelux region increased by €17.9 thousand, or 7.7%, to €250.0 thousand for 2014 from €232.1 thousand for 2013.

EMEA:

Compared to the prior year, the revenues in the EMEA region increased by €20.4 million, or 16.6 %, to €143.2 million in 2014, from €122.8 million in 2013, primarily as a result of new client wins for Corporate Services in France, Spain, Germany, UK, Jersey, Romania, Malta, Dubai and Poland and clients wins for Structured Finance Services in Russia, UK and Ireland. The revenue is positively impacted by the acquisition of Accepta Norway in November 2013 and GMG Trust in South Africa in November 2014 (€6.7 million of revenue in 2014).

At constant currency the increase was €21.5 million or 17.7%. On a like for like basis in constant currency, adjusting for the acquisitions in Norway (end of 2013) and South Africa year on year growth was 12.2%. The revenue per average FTE in the EMEA region increased by €4.8 thousand, or 4.8%, to €103.9 thousand in 2014 from €99.1 thousand in 2013, as a result of improved efficiency and economies of scale.

Americas:

Compared to the prior year, the revenues in the Americas region increased by €1.5 million, or 2.1%, to €71.8 million in 2014, from €70.3 million in 2013. This increase was principally due to new client wins for Corporate Services in Brazil, USA, Colombia, Mexico, Mid America, Peru and Venezuela, offset by a decrease in revenue in the British Virgin Islands and Cayman as a result of a reduction in Private Client Services. At constant currency and adjusted for the disposal of the paralegal business in Brazil the increase in revenue was €9.1 million or 14.6%. The revenue per average FTE in the Americas region decreased by €0.1 thousand, or 0.2%, to €60.5 thousand in 2014 from €60.6 thousand in 2013.

APAC:

Compared to the prior period, the revenues in the APAC region increased by €18.3 million, or 38.0%, to €66.5 million in 2014, from €48.2 million in 2013. The revenue in APAC increased as a result of new client wins for Corporate Services in Australia, China, India, Japan, Thailand, Labuan, Malaysia, Korea and Singapore and due to the acquisitions made in the region. At constant currency and adjusted for the acquisitions in Indonesia and KCS the increase in revenue was €6.3 million or 13.4%. The revenue per average FTE in the APAC region increased by €9.9 thousand, or 16.9%, to €68.5 thousand in 2014 from €58.6 thousand in 2013, as a consequence of smaller offices moving towards critical scale and improved efficiency.

Other:

Compared to 2013, the revenues from other sources increased by €0.7 million, or 12.7%, to €6.2 million in 2014, from €5.5 million in 2013. The revenue from other sources increased as a result of increased revenue from the Freeway business associated with new royalty fee administration contract wins, offset by lower revenue from TMF Group clients as this revenue is allocated to the regions in 2014.

Business segments

TMF Group operates in three business segments: Corporate Services (83.4% and 82.2% of the consolidated revenues in 2014 and 2013, respectively); Structured Finance Services (9.7% and 10.1% of the consolidated revenues in 2014 and 2013, respectively); Private Client Services (7.0% and 7.7% of the consolidated revenues in 2014 and 2013, respectively).

The Fund Services segment is reported as discontinued operations as it is TMF Group's intention to dispose of this activity.

Corporate Services:

Compared to the prior year, the revenues from Corporate Services increased by €39.0 million, or 12.8 %, to €345.3 million in 2014, from €306.3 million in 2013, primarily as a result of new client wins for the provision of Corporate Services in the growth countries such as Luxembourg, Spain, UK, Germany, Romania, Poland, Brazil, USA, Colombia, Mexico, Mid America, Peru, Australia, India, Japan and Singapore. The growth principally related to increased demand for Human Resource services and Accounting services in these markets. This increase in demand was positively impacted by the acquisitions in Norway (end of 2013), APAC and Indonesia. The growth at constant currency and normalised for acquisitions was €28.5 million, or 9.6%.

Structured Finance Services:

Compared to the prior year, the revenues from Structured Finance Services increased by €2.4 million, or 6.4%, to €40.1 million in 2014, from €37.7 million in 2013, primarily as a result of growth in Ireland, UK and Russia. The growth at constant currency and adjusted for the acquisition in South Africa was €3.7 million, or 10.3%.

Private Client Services:

Compared to the prior year, the revenues from Private Client Services increased by €0.3 million, or 1.0%, to €28.9 million in 2014, from €28.6 million in 2013. The decrease in revenue in the Caribbean is offset by an increase in revenue due to the acquisition in APAC. The decrease at constant currency and adjusted for acquisitions was €0.1 million, or 0.3%.

Personnel costs

TMF Group's largest expense is personnel costs associated with employees, the majority of which is wages and salaries. In 2014, the personnel expenses increased by €25.0 million, or 12.9%, to €219.1 million, from €194.1 million in 2013. Of this increase €13.3 million, or 6.8%, is due to acquisitions. As the average number of FTEs increased from 4,220 in 2013 to 4,763 in 2014 and average salary per FTE increased from €36,020 in 2013 to €36,200 in 2014. The total personnel expenses per average FTE totalled €46,020 in 2013 and €46,000 in 2014. Also refer to note 8 on page 80.

The personnel expenses relate to wages and salaries paid to employees, other personnel costs, social security costs, pension costs of defined contribution plans and pension costs of defined benefit plans. The following table sets forth a breakdown of the personnel expenses for the years 2012 to 2014.

In millions of Euro	2012**)	2013	2014	Growth	% Growth
Wages and salaries	148.1	152.0	172.4	20.4	13.4%
Social Security costs	17.9	18.4	21.1	2.8	15.2%
Pension costs- defined contribution plan	3.9	4.8	5.7	0.9	18.8%
Pension costs defined benefit plan	2.6	2.7	0.6	(2.1)	(77.8%)
Other post-employment and long term employee benefits *)	-	0.5	0.2	(0.3)	(60.0%)
Share-based payment	-	-	0.2	0.2	-
Other personnel costs	16.0	15.7	18.9	3.2	20.4%
Total personnel costs	**188.5**	**194.1**	**219.1**	**25.0**	**12.9%**

*) 2012 comparative figures are not available; such benefits are included in wages and salaries.
**) 2012 have been restated to reflect the reallocation of lease car costs from travel costs to personnel cost.

Rental and office expenses

During 2014, the rental and office expenses increased by €3.1 million, or 7.0%, to €47.3 million from €44.2 million in 2013. €2.3 million of the increase stems from acquisitions.

Professional fees

Professional fees include the costs of external subcontractors (hired for client work) and costs of advisory companies relating to audit and tax services, legal services and other consultancy services.

During 2014, the professional fees paid increased by €1.2 million, or 12.4%, to €10.9 million from €9.7 million in 2013. Of this increase €0.3 million arises from acquisitions and the balance is due to increased use of subcontractors.

Sales, general and administrative expenses

During 2014, the sales, general and administrative expenses increased by €2.2 million, or 11.5%, to €21.4 million from €19.2 million in 2013. Of this increase €0.3 million is due to acquisitions, and other than this, the growth stems from a higher donation to the bad debt allowance, higher costs for insurances and increased travel costs.

Results from operating activities before depreciation, amortisation, impairment charges, acquisition, litigation, redundancy and restructuring costs

EBITDA amounted to €115.5 million and is €10.2 million (9.7%) higher than in 2013 (€105.3 million). The EBITDA increased in all regions except for Other. The EBITDA increase in the regions stems from increasing revenue combined with improved efficiency. The decrease in EBITDA in Other is the result of increased corporate costs relating to investments in IT and sales.

EBITDA margin for TMF Group decreased by 0.4% to 27.9% (2013: 28.3%)

Also refer to note 5 on page 67 to 70.

The following table sets out TMF Group's EBITDA per geographical segment for the years 2012, 2013 and 2014:

In millions of Euro	2012*)	EBITDA Margin	2013	EBITDA Margin	2014	EBITDA Margin	Growth	% Growth
Geographical segments								
Benelux	68.0	55.6%	69.5	55.2%	71.9	56.8%	2.4	3.5%
EMEA (excl. Benelux)	35.8	30.2%	42.3	34.5%	50.7	35.4%	8.4	19.9%
Americas	17.7	25.5%	21.5	30.5%	21.7	30.3%	0.2	0.9%
APAC	8.6	19.4%	10.1	21.0%	15.2	22.9%	5.1	50.5%
Other **)	(32.2)	-	(38.1)	-	(44.0)	-	(5.9)	15.5%
Total EBITDA	**97.9**	**27.3%**	**105.3**	**28.3%**	**115.5**	**27.9%**	**10.2**	**9.7%**

*) In 2013 TMF Group changed the reporting of IT and sales costs, moving these costs from the Regions to Other. The 2012 comparable financials have been adjusted to reflect this change.

**) Other includes the operations of International Licensing and Collection (Freeway) and International Pensions (Panthera) and the corporate expenses of TMF Group.

Benelux:

EBITDA increased by €2.4 million, or 3.5 %, to €71.9 million in 2014 from €69.5 million in 2013, primarily as a result of an increase in revenues from the operations in Belgium and Luxembourg and reduction in costs in the Netherlands. The EBITDA margin in the Benelux region increased to 56.8% in 2014 from 55.2% in 2013, primarily as a result of improved efficiency in the Netherlands.

EMEA:

EBITDA increased by €8.4 million, or 19.9 %, to €50.7 million in 2014 from €42.3 million in 2013, primarily as a result of growth in the revenues from new client wins. The EBITDA margin in the EMEA region increased to 35.4% in 2014 from 34.5% in 2013, as a result of increased economies of scale. The impact of acquisitions on the EBITDA is €1.2 million.

Americas:

EBITDA increased by €0.2 million, or 0.9%, to €21.7 million in 2014 from €21.5 million in 2013. The growth in Brazil, Peru, Colombia and Mid America is offset by decreasing revenue in the British Virgin Islands. The EBITDA margin in the Americas region decreased to 30.3% in 2014 from 30.5% in 2013, as a result of the lower revenue in the British Virgin Islands.

APAC:

EBITDA increased by €5.1 million, or 50.5 %, to €15.2 million in 2014 from €10.1 million in 2013, primarily as a result of the increased revenue from new client wins and acquisitions. The impact of acquisitions is €2.4 million. The EBITDA margin in the APAC region increased to 22.9 % in 2014 from 21.0% in 2013, primarily as a result of increased economies of scale.

Other:

Compared to the prior period, the results from operating activities in the Other segment decreased from a loss of €38.1 million in 2013 to a loss of €44.0 million in 2014. The Other segment consists mainly of TMF Group corporate expenses, which increased compared to 2013 as a result of investments in building the global sales team and higher IT and marketing costs all of which are reported at a group corporate level.

Acquisition, litigation, redundancy and restructuring costs

Compared to 2013 the expenses increased from €10.2 million to €28.2 million in 2014. The 2013 costs related mainly to the redundancy and restructuring costs within senior management (refer to note 10 on page 81 to 82).

The 2014 costs relate primarily to litigation costs as a result of the settlement of a legal case, redundancy and restructuring costs and costs with respect to the intended disposal of the Fund Services activities and acquisition costs with respect to the acquisition in Brazil (finalized March 2015) and the acquisitions of KCS Limited, Tass Axia and GMG Trust.

Depreciation, amortisation and impairment charges

Depreciation for the year 2014 amounted to €6.8 million (2013: €6.7 million), compared to an investment in property, plant and equipment of €9.5 million (2013: €4.4 million). The investments mainly relate to expansion of offices and investments in IT. Also refer to note 15 on page 90 to 91.

Amortisation for the year 2014 amounted to €15.3 million (2013: €22.9 million). €3.8 million (2013: €3.1 million) relates to amortisation of software and €11.4 million (2013: €19.8 million) relates to acquisition related intangible assets other than goodwill. In 2013 the Equity Trust brand was fully written off as TMF Group did not expect to use this brand going forward. Acquisition related intangible assets included in the balance sheet at 31 December 2014 include €514.8 million (2013: €483.5 million) for goodwill and €131.5 million (2013: €105.4 million) for other acquired intangibles.

Goodwill is not amortised. In 2014, 2013 and 2012 there has been no impairment charge on the goodwill included in the accounts. Also refer to note 14 on page 86 to 89.

Net Finance costs

Finance income was €18.8 million (2013: €16.9 million) and finance costs were €121.3 million (2013: €108.3 million) resulting in net finance costs of €102.5 million (2013: €91.4 million).

The increase in finance expenses arise from the additional loan notes issued on 22 July 2014, combined with lower costs related to the interest rate swap.

TMF Group's average cost of gross borrowings in 2014 was 10.3% compared to 11.4% in 2013. Also included within financing costs is a net loss of €3.4 million (2013: net income of €0.7 million) in respect of foreign exchange movements in TMF Group's borrowing and cash balances denominated in currencies other than Euro. This is further discussed in note 11 on page 83.

Result from discontinued operations

The result from discontinued operations amounted to a loss of €4.6 million (2013: loss of €0.3 million). This is further discussed in note 22 on page 100 to 102.

Taxation

The taxation charge of €9.4 million (2013: €5.6 million) divided by the loss before income tax represents an effective tax rate of -25.1% (2013: -21.5%). The lower taxes in 2013 stem from a higher positive impact from the use of deferred tax liabilities related to the write off of the Equity Trust brand.

Potential tax assets in respect of tax losses carried forward of €68.8 million (2013: €65.1 million) have not been recognized, as their utilization is not considered probable at this time particularly considering the level of debt in TMF Group. This is further discussed in note 12 on page 83 to 84 and note 17 on page 94 to 96.

Non-controlling interests

The profit attributable to non-controlling interests was €880 thousand in 2014 compared to a loss of €1.2 million in 2013. In January 2014 TMF Group acquired the non-controlling interest in Custom House.

Net result for the year

As a result of the foregoing factors, the loss for the year increased by €19.5 million or 61.5% to €51.2 million from €31.7 million loss in 2013. In 2014, the loss was impacted by €11.0 million of litigation costs, which includes a settlement of a legal case, and €10.2 million of non-recurring redundancy and restructuring costs. In 2013 the loss was impacted by non-recurring redundancy and restructuring costs of €6.0 million.

Fair value

The fair value of intangible assets acquired as part of a business combination and financial instruments that are not traded in an active market are determined using valuation techniques, such as estimated discounted cash flows. The fair value attributable to client lists or relationships at the date of acquisition is determined by discounting the expected future cash flows to be generated from that asset using the risk adjusted weighted average cost of capital for TMF Group. This amount is included in intangible assets as "client lists" and these are amortised over the estimated useful life on a straight-line basis. Amortisation periods are business stream dependent and vary from two to sixteen years. No values are attributed to internally generated client lists or relationships.

Cash flow

The primary KPI of management for cash generation is the percentage of EBITDA converted into cash. Cash conversion is calculated as Cash generated from operations divided by EBITDA. In 2014 a cash conversion rate of 96% was achieved, compared to 91% in 2013 as a result of a lower increase in working capital.

The following table sets out a breakdown of the cash flow for the years 2012, 2013 and 2014:

in millions of Euro	2012	2013	2014	Growth	% Growth
Results from operating activities before depreciation, amortisation, impairment charges, acquisition, litigation, redundancy and restructuring costs	97.9	105.3	115.5	10.2	9.7%
Retirement benefit obligations	(3.7)	(2.1)	(3.8)	(1.7)	81.0%
Changes in working capital	2.9	(6.2)	1.2	7.4	N/A
Changes in foreign currency	0.7	(0.7)	(1.8)	(1.1)	157.1%
Cash generated from operations	**97.8**	**96.3**	**111.1**	**14.8**	15.4%
Cash conversion	*100%*	*91%*	96%		
Income tax paid	(11.9)	(8.8)	(14.6)	(5.8)	65.9%
Net cash generated from operating activities (excluding cash flow regarding acquisition, litigation, redundancy and restructuring costs and)	**85.9**	**87.5**	**96.5**	**9.0**	**10.3%**
Net cash regarding acquisition, litigation, redundancy and restructuring costs	(23.3)	(14.7)	(18.5)	(3.8)	25.9%
Net cash generated from operating activities and cash flow regarding acquisition, litigation, redundancy and restructuring costs	**62.6**	**72.8**	**78.0**	**5.2**	**7.2%**
Net cash used in investing activities	(13.1)	(16.1)	(85.2)	(69.1)	429.2%
Net cash generated from financing activities	(36.1)	(44.6)	6.3	50.9	N/A
Net increase in cash flow from continuing operations	**13.4**	**12.1**	**(0.9)**	**(13.0)**	**N/A**

Net Cash generated from operations

The net cash generated from operations increased by €14.8 million to €111.1 million from €96.3 million in 2013, mainly as a result of an increase in the result from operations before depreciation, amortisation, impairment charges, litigation, redundancy and restructuring costs combined with a decrease in working capital due to an increase in accrued expenses and trade payables.

Income tax paid

The income tax paid increased by €5.8 million to €14.6 million from €8.8 million in 2013. The higher tax paid relates mainly to payment of taxes from previous years.

Net cash regarding acquisition, litigation, redundancy and restructuring costs

The net cash outflow regarding other income/ (expenses) increased by €3.8 million to €18.5 million from €14.7 million in 2013, mainly as a result of higher acquisition costs and higher redundancy and restructuring costs, compensated by an increase in the provision as the settlement of the legal case will only be paid in 2015.

Net cash used in investing activities

The net cash used in investing activities increased by €69.1 million to €85.2 million from €16.1 million in 2013, mainly as a result of the acquisitions made in Indonesia, APAC and South Africa and payment of deferred consideration in relation to the acquisition in Norway and an increase in acquired software.

Net cash generated from financing activities

The net cash generated from financing activities increased by €50.9 million to an inflow of €6.4 million from an outflow of €44.6 million in 2013. This is explained by the proceeds from the issue of loan notes, offset by repayment of cash collateralised loans and a higher level of interest paid.

TMF GROUP

Global reach
Local knowledge

Financing and treasury activities

TMF Group's treasury function is responsible for ensuring the availability of cost effective financing, managing TMF Group's financial risk arising from currency, interest rate volatility and counterparty credit. Treasury is not a profit centre and is not permitted to speculate in derivative financial instruments. The treasury policies are set by senior management. Treasury is subject to controls appropriate to the risks it manages.

TMF Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. TMF Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management is carried out by the central treasury function under instruction and with approval of senior management. TMF Group treasury identifies, evaluates and hedges (where considered necessary) financial risks in close cooperation with the Group's operating units. Management provides guidelines for overall financial risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Refer to note 4 for further details on financial risk management.

Financing

TMF Group's primary sources of finance are intercompany lending from TMF Group HoldCo B.V. and senior loan notes. In December 2012, TMF Group refinanced all its existing Senior Bank loans by way of an issue of senior secured and senior notes. In July 2014, additional senior secured and senior notes were issued. The loan notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market. In addition to the intercompany lending and the senior loan notes, TMF Group renewed its revolving credit facility in December 2012. Of the €70.0 million revolving credit facility, at 31 December 2014 €51 million was available to fund short term cash needs and acquisitions. The following tables sets out TMF Group's loan facilities:

In thousands of Euro	Original available amount	Drawn at 31.12.14	Guarantees issued at 31.12.14	Expiry date	Tenure in years	Repayment	Margin	Margin ratchet
Fixed rate Senior loan notes (EUR)	195,000	195,000	-	01.12.2019	7 years	Bullet	9.875%	No
Floating rate Senior secured loan notes (EUR)	450,000	450,000	-	01.12.2018	6 years	Bullet	Euribor +5.375%	No
Revolving credit facility	70,000	-	15,581	01.06.2018	6 years	Bullet	Euribor +4.00%	Yes

Capitalization

The following table sets out TMF Group's consolidated cash, total indebtedness, shareholders' funds, total capitalization and net debt as of December 2014, 2013 and 2012:

In millions of Euro	2012	2013	2014	Growth	% Growth
Cash and Cash equivalents	**83.4**	**90.4**	**82.4**	**(8.0)**	**(8.8%)**
Senior secured loan notes	405.0	405.0	450.0	45.0	11.1%
Senior notes	175.0	175.0	195.0	20.0	11.4%
Other loans	51.0	49.3	26.4	(22.9)	(46.5%)
Total third party debt	**631.0**	**629.3**	**671.4**	**42.1**	**6.7%**
Subordinated Shareholder Funding	327.4	374.2	425.7	51.5	13.8%
Total equity	(164.0)	(203.0)	(229.9)	(26.8)	13.2%
Total capitalization	**794.4**	**800.5**	**867.2**	**66.7**	**7.7%**
Net third party debt	**547.6**	**538.9**	**589.0**	**50.1**	**9.3%**
Total third party debt/ EBITDA	6.44	5.98	5.81	(0.17)	(2.8%)
Net third party debt/ EBITDA	5.59	5.12	5.10	(0.02)	(0.4%)

The Net debt excludes capitalized finance costs, long-term supply arrangements, advance client payments, deferred consideration and subordinated shareholder funding.

Interest rates

TMF Group has swapped a part of the variable Euribor used in calculating the interest payable on the floating rate senior secured loan notes to a fixed interest rate of 1.27% until 1 December 2015. As at 31 December 2014, the negative market-to-market valuation of these instruments was €4.6 million.

The Group's intercompany lending from TMF Group HoldCo B.V. is partly at fixed interest rates and partly at variable interest rates for the greater part linked to Euribor.

Foreign currency

TMF Group has many foreign subsidiaries that are exposed to various currencies. Treasury policy is to manage significant balance sheet translation risks in respect of net operating assets and profit denominated in foreign currencies. The methods adopted are the use of borrowings denominated in foreign currencies to the extent that cash and debt requirements allow.

Exchange rate differences on the translation of foreign operations amounted to a profit of €27.1 million (2013: €13.6 million loss) as shown in the consolidated statement of comprehensive income. In the consolidated income statement a net loss of €3.4 million (2013: 0.7 million profit) was recorded on the retranslation of net debt.

Cash management

TMF Group treasury monitors cash balances on a daily basis. Appropriate action is taken to optimize interest costs while at the same time safeguarding sufficient liquidity. TMF Group continues to review opportunities to improve the efficiency of its cash management.

Pensions

TMF Group mainly operates defined contribution pension schemes. The Netherlands is the only territory where the group operated defined benefit pension schemes with potential significant impact on the group's figures. This defined benefit pension scheme ended at 31 December 2014 and is replaced by a defined contribution pension scheme. At termination date, an external actuary calculated the fair value of the plan assets in the funds and the present value of the funded obligations. The net defined obligation of €7.0 million is released to the income statement.

As part of the new pension scheme in the Netherlands it has been agreed that TMF Group will contribute a fixed percentage of salary for all staff employed at 31 December 2014 to be used for indexation of pension benefits up to 2014. A provision of € 4.1 million has been recorded in the 2014 income statement in this respect.

Provisions

TMF Group mainly has provisions in respect of legal cases and restructuring costs. The expected legal costs in respect of legal cases are provided for insofar that they are not covered by insurance. A description of the legal cases is given in note 33 on page 119 to 120. The restructuring provision arises from the merger with Equity Trust and mainly relates to provisions for onerous leases.

Risks

TMF Group's business is subject to risks and uncertainties. The risks that TMF Group regards as the most relevant for the business are identified below, including certain actions to mitigate these risks. The group is deploying these mitigation actions but these might not be successful. If these risks materialize or are not successfully mitigated, the cash flow, operating results, financial position, business and reputation could be materially adversely affected. In addition risks and uncertainties could impact the group's ability to meet its targets or be detrimental to its profitability or reputation.

Description of risk	Mitigating actions
Strategic risks	
Market and economic conditions	
Overall deterioration in global economic conditions and GDP in the countries in which TMF Group operates may adversely affect TMF Group's industry, particularly its clients' interests in global expansion and may adversely affect TMF Group's business, growth, results of operations and ability to access capital. A global, domestic or significant regional economic slowdown or recession could harm TMF Group by adversely affecting its clients' and its prospective clients' access to capital to fund their businesses and their ability to sustain and grow their businesses, particularly, their ability to expand internationally.	TMF Group has a resilient business model, due to the wide geographical spread combined with high client retention. TMF Group is able to adapt the service offerings to the issues clients are facing and demonstrate the value added it can offer.

Significant changes in the competitive business environment

Any significant changes in TMF Group's competitive business environment may affect TMF Group's ability to compete effectively for current and potential clients, and consequently its results of operations and financial condition may be adversely affected. TMF Group currently faces very few competitors that can provide a comparable suit of service across a large number of jurisdictions in the same way as TMF Group. If this were to change in the future as a result of increased competition generally or as a result of consolidation in the market by medium size competitors and / or regional competitors, this may be a significant adverse effect on the business and future prospects of TMF Group.

The strong relationship with clients and the focus on providing value added services creates a competitive advantage compared to new parties entering the market. TMF Group keeps investing in quality of service and clients satisfaction to maintain this competitive advantage.

During 2013 TMF Group started a client satisfaction program. By the end of 2014 in over 70 jurisdictions the global customer surveys have been completed and local findings are used to review and improve service delivery.

Not able to expand in a particular jurisdiction

TMF Group may not be able to expand into a particular jurisdiction in response to client needs. Given the nature of TMF Group's business, regulatory and / or tax changes can lead to demand for client services in jurisdictions where TMF Group has not historically operated – for example, TMF Group currently has limited presence in Africa. If this were the case, there may be regulatory, competition and practical constraints in establishing an office in such a jurisdiction to meet client demand (or, at the very least, as quickly as TMF Group would like).

TMF Group has partners in jurisdictions where it is currently not active to ensure TMF Group is able to serve its clients on the highest standard. In 2014 TMF Group started activities in more African countries to mitigate this risk.

Unable to acquire or integrate new businesses

Since TMF Group's formation in 1988, it has grown significantly through acquisitions and organic growth. Going forward, acquisitions will continue to be an important driver of growth. There is no certainty that TMF Group will be able to find good acquisition targets and to successfully integrate these targets into the current organisation.

TMF Group has a merger and acquisition team in place to scan the market for potential acquisition candidates and review these candidates and an integration team as well as procedures in place to integrate new acquisitions in the business.

Dependence on Benelux

TMF Group generates a relatively large share of its revenue in the Benelux region and any significant change in client demand for TMF Group's services in Benelux could have a significant adverse effect on TMF Group's business and financial condition. In 2014, 31% (2013: 32%) of TMF Group's revenue was generated in Benelux.

Although a significant portion of the revenue is produced by the operations in Benelux, this revenue is generated by clients from all over the world seeking to use TMF Group's services in the Benelux to operate their international corporate structures.

Changes in regulation

A significant change in the regulation (particularly any change in regulation that adversely affects offshore funds) may have a material adverse effect on TMF Group's business. A large number of TMF Group's clients look to invest through tax efficient holding structures in jurisdictions that have extensive double tax treaty networks and relatively stable corporate law frameworks. If actions were taken by regulators that made any of these jurisdictions less attractive (particularly if such actions affected the tax laws relating to the treatment of offshore funds), TMF Group's business may be adversely affected.

TMF Group monitors the developments of regulations closely and is actively represented in local professional bodies.

Financial risks

Exchange control restrictions

Exchange control restrictions or other restrictions regarding the repatriation of funds from certain countries in which TMF Group operates (including regulatory capital restrictions) could hinder its ability to make foreign investments, procure foreign denominated financings and to extract dividends from the operating subsidiaries.

TMF Group regularly repatriates cash to avoid high cash balances accumulating in local offices. This limits the impact of potential changes in exchange control restrictions.

Operational risks

Retention of senior management

TMF Group's future growth and success depends, in part, upon the leadership and performance of its highly skilled management team, many of whom have significant experience in our industry and would be difficult to replace. The loss of key employees or the inability to attract and retain highly skilled and qualified personnel could materially and adversely affect TMF Group's business, financial condition and results of operations.

TMF Group provides management at local level with incentives to continue to grow the business. TMF Group has encouraged an entrepreneurial approach within the management, operating a relatively flat management structure. In addition the management has a significant equity stake in the business, from executive board to local management teams.

Dependence on employees, joint venture partners and sub-contractors

TMF Group operates with several thousand employees in 79 different countries, each with different laws, practices, standards and regulations; TMF Group cannot exclude the risk that its employees may behave in such a way that

TMF Group has training and work guidelines in place to mitigate these risks. In addition TMF Group reviews the credentials and capabilities of all sub-contractors before

TMF Group is exposed to risk. In addition, TMF Group works with and relies on third party sub-contractors in some instances (typically, where TMF Group enters into master service agreements to provide client service in jurisdictions where TMF Group does not have an office) who could also harm TMF Group's reputation or expose TMF Group to liability should they fail to fulfil their obligations or act inappropriately.	TMF Group enters into a relationship with them. TMF Group has a code of conduct in place and subcontractors are requested to adhere to it.
Unable to attract hire and retain qualified employees	
TMF Group is dependent on its ability to attract, hire and retain qualified employees. The corporate services industry by nature is labour intensive and experiences a high employee turnover rate. A higher turnover rate among employees would increase the recruiting and training costs and could materially adversely impact the quality of services TMF Group provides to clients.	TMF Group continues to recruit talent and invest in personal development of the people. TMF Group offers training and competitive conditions of employment.
Loss of clients	
TMF Group's revenue and revenue growth are dependent on its ability to retain clients, sell them additional services, introduce new services and attract new clients in each of its businesses.	TMF Group has a diversified client base, with the largest 25 clients contributing less than 5% of revenue in 2014. TMF Group has implemented a system for continuously monitoring client satisfaction and service quality.
Legal/ Compliance risks	
Legal claims	
TMF Group may be adversely affected by current, potential and pending legal or administrative proceedings initiated, or to be initiated, against it and any resulting judgments, settlements and orders rendered by competent authorities; such proceedings may increase during periods of economic downturn.	TMF Group has compliance and operating policies and client acceptance procedures in place to limit future legal claims. TMF Group maintains appropriate insurance to provide cover against such claims.
Risk relating to the regulatory and legislative framework in which the Group operates	
TMF Group is subject to significant government regulation and supervision, which may increase the costs and otherwise adversely affect the business. Such governmental regulation and supervision, as well as future changes in laws, regulations or government policy (or in the interpretation of existing laws or regulations) that affect TMF Group, its competitors or its industry,	The Group monitors the regulation closely and is represented in local professional bodies.

have a strong influence on how the Group operates its business. Adverse regulatory developments could expose the business to a number of risks. Regulation could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and capital expenditure.	
IT/Systems risks	
Technology innovation risk	
The technological environment changes fast. TMF Group needs to continue to make investments in advancements in technology to achieve and sustain a competitive advance in services and processes.	In the last years TMF Group has focussed on the investment in IT, which will continue in the next years.

TMF GROUP

Global reach
Local knowledge

Going concern

These consolidated financial statements have been prepared under the going concern convention. As at 31 December 2014, TMF Group has negative equity. The results for the years ended on 31 December 2012, 2013 and 2014 were also negative. However, the cash generated from operations was positive in these three years. In addition, a major part of the financing has a long-term nature. Therefore and after making enquiries and on the basis of current cash flow projections in combination with the available facilities, the Board of Directors is confident that it has a reasonable expectation that TMF Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Gordon Stuart

Chief Financial Officer

TMF GROUP

Global reach
Local knowledge

Signatures to TMF Group's consolidated financial statements

The Board of Directors have today discussed and approved these Consolidated Financial Statements for 2014 of TMF Group Holding B.V. ('TMF Group'). These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

In our opinion, the Consolidated Financial Statements give a true and fair view of TMF Group's financial position at 31 December 2014 and of the results of the group's operations and its cash flows for the years ended 31 December 2014.

The Consolidated Financial Statements are presented for approval at the Annual General Meeting on 26 March 2015.

G.M. Stuart

M.C. van der Sluijs – Plantz

J.L.H. Winnubst

C. Fransen

Amsterdam, 26 March 2015

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Independent auditor's report

To: the general meeting of TMF Group Holding B.V.

Report on the financial statements

We have audited the accompanying financial statements 2014 as set out on pages 32 to 140 of TMF Group Holding B.V., Amsterdam, which comprise the consolidated and company balance sheet as at 31 December 2014, the consolidated and company income statement, the consolidated and company statement of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Directors' review and Financial review in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the directors are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of TMF Group Holding B.V. as at 31 December 2014, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

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Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Directors' review and Financial review, to the extent we can assess, have been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Directors' review and Financial review, to the extent we can assess, are consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Rotterdam, 26 March 2015

PricewaterhouseCoopers Accountants N.V.

J.G. Bod RA

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Consolidated income statement

In thousands of Euro	Note	For the year ended 31 December 2014	2013	2012
Continuing operations				
Total revenue	5	**414,305**	**372,618**	**358,982**
Employee benefit expense	8	(219,125)	(194,100)	(188,478)
Rental and office expenses		(47,339)	(44,235)	(45,735)
Professional fees		(10,930)	(9,706)	(8,266)
Sales, general and administrative expenses	9	(21,435)	(19,265)	(18,563)
Results from operating activities before depreciation, amortisation, impairment charges, acquisition, litigation, redundancy and restructuring costs	5	115,476	105,312	97,940
Acquisition, litigation, redundancy and restructuring costs	10	(28,205)	(10,228)	(18,563)
Depreciation, amortisation and impairment charges	14 / 15	(22,034)	(29,579)	(27,477)
Operating profit		**65,237**	**65,505**	**51,900**
Finance income	11	18,781	16,910	15,906
Finance expenses	11	(121,313)	(108,317)	(105,908)
Net finance costs	11	**(102,532)**	**(91,407)**	**(90,002)**
Result before income tax		**(37,295)**	**(25,902)**	**(38,102)**
Income tax expense	12	(9,356)	(5,573)	(6,452)
Result for the year from continuing operations		**(46,651)**	**(31,475)**	**(44,554)**
Discontinued operations				
Result for the year from discontinued operations (attributable to equity holders of the company)	22	(4,575)	(269)	2,264
Result for the year		**(51,226)**	**(31,744)**	**(42,290)**
Attributable to:				
Owners of the parent		(52,106)	(30,525)	(40,902)
Non-controlling interests	7	880	(1,219)	(1,388)
Result for the year		**(51,226)**	**(31,744)**	**(42,290)**
Earnings per share from continuing and discontinued operations attributable to the owners of the parent during the year (in €1,000 per share):	13			
Basic and Diluted earnings per share from continuing operations		(2.6)	(1.7)	(2.3)
Basic and Diluted earnings per share from discontinued operations		(0.3)	(0.0)	0.0
Basic and Diluted earnings per share from result for the year		**(2.9)**	**(1.7)**	**(2.3)**

The notes on pages 41 to 126 are an integral part of these consolidated financial statements.

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Consolidated statement of comprehensive income

In thousands of Euro	Note	For the year ended 31 December 2014	2013	2012
Result for the year		**(51,226)**	**(31,744)**	**(42,290)**
Actuarial result on post-employment benefit obligations	29	(5,975)	(1,334)	(4,586)
Total items that will not be reclassified to income statement		**(5,975)**	**(1,334)**	**(4,586)**
Foreign currency translation differences for foreign operations		27,119	(13,634)	(2,122)
Movements in cash flow hedges	27	3,278	7,779	(4,280)
Total items that may be reclassified subsequently to income statement		**30,397**	**(5,855)**	**(6,402)**
Other comprehensive income for the year, net of tax*		**24,422**	**(7,189)**	**(10,988)**
Total comprehensive income for the year		**(26,804)**	**(38,933)**	**(53,278)**
Attributable to:				
Owners of the parent		(28,090)	(37,264)	(51,716)
Non-controlling interests	7	1,286	(1,669)	(1,562)
Total comprehensive income for the year		**(26,804)**	**(38,933)**	**(53,278)**
Total comprehensive income attributable to owners of the parent arises from:				
Continuing operations		(23,045)	(38,384)	(55,044)
Discontinued operations		(5,045)	1,120	3,328
		(28,090)	**(37,264)**	**(51,716)**

The notes on pages 41 to 126 are an integral part of these consolidated financial statements.

* For all years the tax effect on Other comprehensive income amounts to nil because the majority of these transactions are included in the Dutch fiscal unity where tax losses are not valued.

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Consolidated balance sheet

In thousands of Euro	Note	As at 31 December 2014	2013	2012
Assets				
Intangible assets	14	658,764	597,253	610,826
Property, plant and equipment	15	21,559	18,177	21,898
Financial assets	16	108,044	100,031	90,479
Deferred tax assets	17	5,386	3,290	1,688
Total non-current assets		**793,753**	**718,751**	**724,891**
Trade receivables	16 / 18	106,884	102,203	101,450
Other receivables	16 / 19	29,642	27,269	30,941
Financial assets	16	889	462	515
Current tax receivables		7,233	9,008	7,474
Clients' funds held under Trust	16 / 20	70,840	52,512	51,130
Cash and cash equivalents	16 / 21	325,864	90,422	83,380
Assets of disposal group classified as held for sale	22	37,753	-	-
Total current assets		**579,105**	**281,876**	**274,890**
TOTAL ASSETS		**1,372,858**	**1,000,627**	**999,781**

The notes on pages 41 to 126 are an integral part of these consolidated financial statements.

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Consolidated balance sheet (continued)

In thousands of Euro	Note	As at 31 December 2014	2013	2012
Equity				
Share capital	23	18	18	18
Share premium	23	180,126	180,126	180,126
Other reserves	25	26,715	(3,426)	1,979
Retained earnings	23	(440,485)	(377,559)	(345,700)
Total equity attributable to owners of the parent		**(233,626)**	**(200,841)**	**(163,577)**
Non-controlling interests		3,722	(2,125)	(457)
Total equity		**(229,904)**	**(202,966)**	**(164,034)**
Liabilities				
Loans and borrowings	26	1,077,615	968,282	927,159
Derivative financial instruments	27	-	7,156	11,655
Provisions	28	8,909	10,302	13,339
Retirement benefit obligations	29	6,501	4,280	5,071
Other payables	30	8,334	7,357	5,915
Deferred tax liabilities	17	32,279	27,823	32,366
Total non-current liabilities		**1,133,638**	**1,025,200**	**995,505**
Loans and borrowings	26	264,861	22,089	9,913
Derivative financial instruments	27	4,796	-	-
Provisions	28	19,525	4,841	7,531
Trade and other payables	30	93,467	85,218	91,463
Current tax liabilities		11,574	13,733	8,273
Clients' funds ledger balances	20	70,840	52,512	51,130
Liabilities of disposal group classified as held for sale	22	4,061	-	-
Total current liabilities		**469,124**	**178,393**	**168,310**
Total liabilities		**1,602,762**	**1,203,593**	**1,163,815**
TOTAL EQUITY AND LIABILITIES		**1,372,858**	**1,000,627**	**999,781**

The notes on pages 41 to 126 are an integral part of these consolidated financial statements.

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Consolidated statement of changes in equity

In thousands of Euro	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to owners of the parent						
Balance at 1 January 2014	**18**	**180,126**	**(3,426)**	**(377,559)**	**(200,841)**	**(2,125)**	**(202,966)**
Result for the year	-	-	-	(52,106)	(52,106)	880	(51,226)
Other comprehensive income							
Cash flow hedges (note 27)	-	-	3,278	-	3,278	-	3,278
Remeasurement IAS19R (note 29)	-	-	-	(5,975)	(5,975)	-	(5,975)
Translation movements (note 25)	-	-	26,713	-	26,713	406	27,119
Total other comprehensive income	**-**	**-**	**29,991**	**(5,975)**	**24,016**	**406**	**24,422**
Total comprehensive income	**-**	**-**	**29,991**	**(58,081)**	**(28,090)**	**1,286**	**(26,804)**
Transactions with owners							
Share-based payment (note 24)	-	-	150	-	150	-	150
Non-controlling interests arising from business combinations (note 6)	-	-	-	(4,845)	(4,845)	4,561	(284)
Total transactions with owners, recognised directly in equity	**-**	**-**	**150**	**(4,845)**	**(4,695)**	**4,561**	**(134)**
Balance at 31 December 2014	**18**	**180,126**	**26,715**	**(440,485)**	**(233,626)**	**3,722**	**(229,904)**

The notes on pages 41 to 126 are an integral part of these consolidated financial statements.

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Consolidated statement of changes in equity (continued)

	Attributable to owners of the parent						
In thousands of Euro	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2013	**18**	**180,126**	**1,979**	**(345,700)**	**(163,577)**	**(457)**	**(164,034)**
Result for the year	-	-	-	(30,525)	(30,525)	(1,219)	(31,744)
Other comprehensive income							
Cash flow hedges (note 27)	-	-	7,779	-	7,779	-	7,779
Remeasurement IAS19R (note 29)	-	-	-	(1,334)	(1,334)	-	(1,334)
Translation movements (note 25)	-	-	(13,184)	-	(13,184)	(450)	(13,634)
Total other comprehensive income	**-**	**-**	**(5,405)**	**(1,334)**	**(6,739)**	**(450)**	**(7,189)**
Total comprehensive income	**-**	**-**	**(5,405)**	**(31,859)**	**(37,264)**	**(1,669)**	**(38,933)**
Balance at 31 December 2013	**18**	**180,126**	**(3,426)**	**(377,559)**	**(200,841)**	**(2,125)**	**(202,966)**

The notes on pages 41 to 126 are an integral part of these consolidated financial statements.

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Consolidated statement of changes in equity (continued)

	Attributable to owners of the parent						
In thousands of Euro	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2012	**18**	**172,323**	**8,207**	**(299,680)**	**(119,132)**	**1,161**	**(117,971)**
Result for the year	-	-	-	(40,902)	(40,902)	(1,388)	(42,290)
Other comprehensive income							
Cash flow hedges (note 27)	-	-	(4,280)	-	(4,280)	-	(4,280)
Remeasurement IAS19R (note 29)	-	-	-	(4,586)	(4,586)	-	(4,586)
Translation movements (note 25)	-	-	(1,948)	-	(1,948)	(174)	(2,122)
Total other comprehensive income	**-**	**-**	**(6,228)**	**(4,586)**	**(10,814)**	**(174)**	**(10,988)**
Total comprehensive income	**-**	**-**	**(6,228)**	**(45,488)**	**(51,716)**	**(1,562)**	**(53,278)**
Non-controlling interests arising on business combinations (note 6)	-	-	-	(532)	(532)	(55)	(587)
Capital contributions	-	7,803	-	-	7,803	-	7,803
Total transactions with owners, recognised directly in equity	**-**	**7,803**	**-**	**(532)**	**7,271**	**(55)**	**7,216**
Balance at 31 December 2012	**18**	**180,126**	**1,979**	**(345,700)**	**(163,577)**	**(457)**	**(164,034)**

The notes on pages 41 to 126 are an integral part of these consolidated financial statements.

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Consolidated cash flow statement

In thousands of Euro	Note	For the year ended 31 December 2014	2013	2012
Cash flows from operating activities				
Cash generated from operations, excluding cash flow regarding income tax paid, acquisition, litigation, redundancy and restructuring costs	31	111,066	96,278	97,757
Income tax paid		(14,577)	(8,768)	(11,903)
Net cash generated from operating activities (excluding cash flow regarding acquisition, litigation, redundancy and restructuring costs)		96,489	87,510	85,854
Acquisition and due diligence costs paid		(4,547)	(184)	(403)
Litigation, redundancy and restructuring costs paid		(13,984)	(14,492)	(22,940)
Net cash generated from operating activities		**77,958**	**72,834**	**62,511**
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	6	(67,849)	(5,187)	(558)
De-consolidation of subsidiaries, net of cash	7	-	(418)	-
Disposal of subsidiaries, net of cash	7	(66)	-	-
Investment in intangible assets	14	(7,818)	(6,223)	(4,977)
Investment in property, plant and equipment	15	(9,452)	(4,286)	(7,033)
Disposal of intangible assets and property, plant and equipment	14/15	(24)	14	169
Borrowings issued		-	-	(661)
Net cash used in investing activities		**(85,209)**	**(16,100)**	**(13,060)**
Cash flows from financing activities				
Proceeds from borrowings		67,372	663	581,115
Repayments of borrowings		(12,023)	(1,061)	(580,410)
Interest received		11,160	11,465	11,274
Interest paid		(60,149)	(55,649)	(47,483)
Acquisition of non-controlling interest, net of cash acquired	6	-	-	(587)
Net cash generated from / (used in) financing activities		**6,360**	**(44,582)**	**(36,091)**
Net movement in cash and cash equivalents continuing operations		**(891)**	**12,152**	**13,360**

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Consolidated cash flow statement (continued)

In thousands of Euro	Note	For the year ended 31 December 2014	2013	2012
Net movement in cash and cash equivalents continuing operations		**(891)**	**12,152**	**13,360**
Net cash flow from discontinued operations	22	(909)	(921)	2,244
Net movement in cash and cash equivalents		**(1,800)**	**11,231**	**15,604**
Cash and cash equivalents at beginning of the year	**21**	**90,422**	**83,380**	**68,257**
Transferred to disposal group classified as held for sale (note 22)	22	(9,857)	-	-
Exchange gains / (losses) on cash and cash equivalents from continuing operations		3,307	(3,929)	(408)
Exchange gains / (losses) on cash and cash equivalents from discontinued operations	22	301	(260)	(73)
Cash and cash equivalents at end of the year	**21**	**82,373**	**90,422**	**83,380**

The notes on pages 41 to 126 are an integral part of these consolidated financial statements

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Notes to the consolidated financial statements

1. General information

TMF Group Holding B.V. (the 'Company') and its subsidiaries (together 'TMF Group') is a leading global provider of high value business services to clients operating and investing internationally. TMF Group focuses on providing highly specialized and business-critical financial, legal and human resource administrative services that enable clients to operate their corporate structures, finance vehicles and investment funds in different geographical locations. TMF Group has 120 offices located in 79 countries or 83 jurisdictions across the Americas, Asia Pacific, Europe, Africa and the Middle East.

- Corporate Services – Integrated legal, administrative and accounting services for companies' operations from inception through day-to-day functions to liquidation;

- Structured Finance Services – Creating and administering financial vehicles for securitization transactions, structured asset leasing and project finance transactions;

- Private Client Services – Administering corporate structures for high net worth individuals for wealth planning purposes.

Across the range of services, TMF Group offers a core set of competencies that form the heart of its product offering to clients:

- Financial Administrative Services – TMF Group provides a range of financial, accounting and reporting services to assist its clients with their financial reporting in a transparent, up-to-date and accurate manner. Among these financial administrative services, TMF Group provides international management and consolidated reporting in any major standard (IFRS, US, UK or other major GAAP) and TMF Group prepares statutory accounts to comply with local law requirements. TMF Group also provides assistance with the registration, recovery and compliance with value-added taxes ("VAT"), goods and services taxes ("GST"), insurance premium tax ("IPT") and other indirect taxes, including the payment and collection of refunds.

- Legal Administrative Services – TMF Group provides a variety of legal services to its clients in connection with establishing and maintaining financing and holding companies and other structures in compliance with applicable local laws. These services include establishing corporate entities to serve as finance companies or as operating companies, as well as managing corporate compliance procedures, such as organizing and recording board and shareholders' meetings. TMF Group also provides domiciliary and management services, as well as local representatives and directors with the necessary expertise required for clients to conduct business in a particular jurisdiction.

- Human Resource Administrative Services – TMF Group provides a wide range of human resource and payroll services, including payroll processing, management reporting and costs analysis and outsourced human resource services. TMF Group's specialists can act as a client's local human resources function, preparing employment contracts and guidelines, providing employee training assistance and securely maintaining personal confidential information.

TMF Group's service offering enables its clients to focus on their core competencies while TMF Group ensures that critical local administrative functions, that clients may have less experience in providing, are performed to a high standard. In doing so, TMF Group helps its clients to (i) gain access to specialist local knowledge, including regulatory, tax and financial reporting expertise that would be challenging or inefficient to develop internally, (ii) reduce the risks and distractions of managing complex accounting, legal and human resource regulations in multiple countries, (iii) control costs by taking over the back office administration and reporting functions of their international offices that are not large enough to justify the administrative overhead, (iv) simplify operations by providing a single point-of-contact from anywhere in the world, often resulting in increased transparency for clients, and (v) execute globalization plans swiftly and flexibly by using its worldwide network of local offices and experts to assist on administrative matters.

The Company was incorporated in the Netherlands on 3 August 2004. The address of the registered office is at Herikerbergweg 238, 1101 CM Amsterdam, the Netherlands. The Company principally acts as a holding and finance company for TMF Group investments.

The shares in the Company are 100% held by TMF Group HoldCo B.V., which is 100% owned by TMF Orange Holding B.V. 63.24% of the ordinary shares and all preference shares in TMF Orange Holding B.V. are indirectly held by Doughty Hanson & Co V (which comprises a series of English limited partnerships with each limited partnership having a common general partner in Doughty Hanson & Co V Limited) and indirectly by the employees of affiliates of Doughty Hanson & Co V Limited. The remaining 36.76% of the ordinary shares in TMF Orange Holding B.V. are indirectly held by the current and previous management and employees of TMF Group.

TMF Orange Holding B.V. prepares also consolidated financial statements that are available to the public.

These consolidated financial statements 2014 of TMF Group Holding B.V. were authorised for issue by the Board of Directors on 26 March 2015. Until approval at the Annual General Meeting, the Board of Directors can amend the financial statements.

These consolidated financial statements voluntarily present three periods instead of two to comply with the agreements made in this respect with the holders of the senior (secured) loan notes.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

These consolidated financial statements of TMF Group have been prepared in accordance with IFRS as adopted by the European Union.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through the income statement.

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

Going concern

These consolidated financial statements have been prepared under the going concern convention. As at 31 December 2014, TMF Group has negative equity. The results for the years ended on 31 December 2012, 2013 and 2014 were also negative. However, the cash generated from operations was positive in these three years. In addition, a major part of the financing is of a long-term nature. Therefore, and after making enquiries, and on the basis of current cash flow projections and available facilities, the Board of Directors is confident that it has a reasonable expectation that TMF Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Changes in accounting policies and disclosures

New standards, amendments and interpretations effective in 2014

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group's financial statements.

Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no significant impact on the Group's financial statements as a result.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so there is no significant impact on the Group's financial statements.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ('OCI') and fair value through the income statement. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through the income statement with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through the income statement. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. TMF Group is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. TMF Group is assessing the impact of IFRS 15.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on TMF Group.

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date when control is transferred to TMF Group. They are de-consolidated from the date that control ceases.

TMF Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by TMF Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, TMF Group recognises any controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any contingent consideration to be transferred by TMF Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in the income statement. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of the consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances, income and expenses on transactions between TMF Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Amounts reported by subsidiaries are based on the policies adopted by TMF Group.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When TMF Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

2.3 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, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

2.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of TMF Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Euros ('€'), which is the Company's functional and TMF Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Foreign exchange gains and losses from transactions between TMF Group entities are recognized as OCI.

TMF Group companies

The results and financial position of all TMF Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Euro are translated into Euro as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (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 rate on the dates of the transactions); and
- all resulting exchange differences are recognized as OCI.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and currency effects on loans receivable which are part of the net investment are taken to OCI. When a foreign operation is disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Foreign exchange results on goodwill are recognised in OCI.

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered. Revenue is stated net of discounts, returns, value added tax and after eliminating sales within TMF Group. TMF Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to TMF Group. TMF Group bases its estimates on historical results, taking into consideration the type of client, transaction and the specifics of each arrangement.

Service contracts

TMF Group's sole source of revenue is from the rendering of services. Revenue associated with transactions is recognized by reference to the stage of completion of the transaction at the end of the reporting period.

TMF Group provides services to clients on a time and cost basis or based on a fixed price contract or a combination of both. TMF Group fixes the rates for its services locally based on local market conditions and local management determinations of acceptable rates.

Revenue from time and cost contracts is recognized at the contractual rates as time is spent and/or direct expenses are incurred.

Revenue from fixed price contracts is generally recognized in the period in which the services are provided, using a straight line basis over the term of the contract.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known.

To the extent that any fees paid exceed the value of work performed, they are included in trade and other payables as deferred income.

2.6 Acquisition, litigation, redundancy and restructuring costs

Acquisition, litigation, redundancy and restructuring costs include those significant items which are separately reported by virtue of size or incidence to enable a full understanding of TMF Group's financial performance. Those items relate to non-recurring items of income and expense arising from circumstances such as:

- Acquisition costs incurred with respect to (un)successful or pending acquisitions;
- Start-up costs in the first year of a start-up in a new country or start-up of a new office in an existing country;
- Costs that relate to the disposal of subsidiaries or associates, including any book result;
- Changes in the fair value of deferred consideration;
- Net result on disposal of intangible assets and property, plant and equipment;
- Litigation settlements;
- Penalties and fines that do not follow from the current year's activities;
- Redundancy costs if no replacement is hired;
- Redundancy costs with respect to replacement of local, regional or global management;
- Integration costs in the first year of a minor business combination and first two years of a major business combination;
- Restructuring of the activities of an entity;
- Onerous contracts relating to leasing of office buildings and termination costs of (groups of) clients.

To provide a better understanding of the underlying results of the period, items are reported separately if the aggregate amount of the event or project exceeds €1 million.

2.7 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

TMF Group leases certain equipment and software, where TMF Group has substantially all the risks and rewards of ownership. These leases are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance costs is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under the financial lease is depreciated/ amortised over the shorter of the useful life of the asset and the lease term.

All leases that do not qualify as operational leases are classified as finance leases.

2.8 Interest income

Interest income is recognised using the effective interest method. When a loan or receivable is impaired, TMF Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2.9 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except if it relates to items recognized directly in equity, in which case it is recognized in equity, or if it relates to items recognized directly in OCI, in which case it is recognized in OCI.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Refer to note 2.23 on deferred income tax.

2.10 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the indentifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The operating segments of TMF Group are determined to be the level at which goodwill is allocated and tested for impairment, as monitoring for internal management purposes does not take place on a lower level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains and losses on the disposal of an entity or business include the carrying amount of goodwill relating to the entity or business sold.

Client lists

Client lists, including client relationships, acquired by TMF Group have finite useful lives. Client lists are measured at cost less accumulated amortisation and any accumulated impairment losses. Separate values are not attributed to internally generated client lists or relationships. Amortisation is calculated using the straight line method to allocate the cost of the client lists over their estimated useful lives (2-16 years). The residual values, the useful lives and the depreciation methods are reviewed periodically and adjusted if appropriate.

Non-compete agreements

Non-compete agreements entered into by TMF Group have finite useful lives. Non-compete agreements are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the cost of the non-compete agreements over the period of their enforceability (1-5 years). The residual values, the useful lives and the depreciation methods are reviewed periodically and adjusted if appropriate.

Brands

Brands acquired by TMF Group have finite useful lives. Brands are measured at cost less accumulated amortisation and any accumulated impairment losses. Brands are valued using the relief from royalty method. Amortisation is calculated using the straight line method to allocate the cost of the brand over the period of its estimated useful life (5 years). The residual values, the useful lives and the depreciation methods are reviewed periodically and adjusted if appropriate.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by TMF Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

The costs are amortised over their estimated useful lives of 3 years. The residual values, the useful lives and the amortisation methods are reviewed periodically and adjusted if appropriate.

2.11 Property, plant and equipment

Recognition and measurement

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation

Depreciation of property, plant and equipment is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Buildings: 25-50 years
- Leasehold improvements: term of the lease
- Furniture and fittings: 10 years
- Office and computer equipment: 3-5 years
- Motor vehicles: 3 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (also refer to note 2.12).

Disposal

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within Acquisition, litigation, redundancy and restructuring costs, in the income statement.

2.12 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested at least annually for impairment or when there is an indication that the amount is not recoverable (e.g. goodwill). Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.

For goodwill impairment testing, refer to note 2.10. Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Financial assets

Classification

TMF Group classifies its financial assets in the following categories: at fair value through income statement, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through income statement

Financial assets at fair value through income statement are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. TMF Group's loans and receivables comprise 'loans receivable from related parties', 'other loans receivable', 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which TMF Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through income statement. Financial assets carried at fair value through income statement are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and TMF Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through income statement are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through income statement' category are presented in the income statement within 'Acquisition, litigation, redundancy and restructuring costs ' in the period in which they arise. Dividend income from financial assets at fair value through income statement is recognised in the income statement as part of other income when TMF Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'Gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when TMF Group's right to receive payments is established.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.15 Impairment of financial assets

TMF Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

Assets carried at amortised costs

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, TMF Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Assets classified as available for sale

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2.16 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. TMF Group designates certain derivates as cash flow hedges of particular risks associated with a recognized asset or liability or a highly probable forecast transaction.

TMF Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. TMF Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 27. Movements on the hedging reserve in other comprehensive income are shown in note 25.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedge item is more than 12 months; it is classified as a current asset or liability when the remaining maturity is less than 12 months. TMF Group has no trading derivatives.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement within 'net finance costs'.

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects income statement (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the income statement within net finance costs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'net finance costs'.

2.17 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that TMF Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement within 'Sales, general and administrative expenses'. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'Sales, general and administrative expenses' in the income statement. Trade receivables include unbilled services which relate to services performed but not yet billed.

2.18 Funds held under Trust

Client money is held in TMF Group bank accounts on behalf of clients and is recorded separately as an asset on the balance sheet of TMF Group. A corresponding liability is recognised within current liabilities to reflect the linked character for TMF Group.

2.19 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet and as from 2014, bank overdrafts are shown within borrowings in current liabilities. Until 2014, bank overdrafts are shown netted with cash and cash equivalents.

2.20 Share capital

Ordinary shares are classified as equity.

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

2.21 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are classified as current liabilities unless TMF Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.22 Loans and borrowings

Loans and borrowings are recognized initially at fair value, net of transaction costs incurred. Loans and borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Costs incurred during the (re)financing of loans and borrowings are capitalized and amortised over the estimated useful lives of the loans and borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee for the facility is capitalised and amortised over the period of the facility to which it relates. Loans and borrowings are presented net of capitalized costs.

Loans and borrowings are classified as current liabilities unless TMF Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.23 Current and deferred income tax

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by TMF Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

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

2.24 Assets and liabilities of disposal group classified as held for sale

Intercompany transactions between components that qualify as discontinued and components that qualify as continued are assessed based on the situation post-disposal. If the arrangement of a transaction is expected to continue post-disposal then the transaction will not be eliminated against the discontinued operations. If the arrangement of a transaction is expected to end at the moment of disposal then the transaction will be eliminated against the discontinued operations.

2.25 Employee benefits

Pension obligations

TMF Group operates a number of pension schemes around the world. The schemes are generally funded through payments to insurance companies. TMF Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which TMF Group pays fixed contributions into a separate entity. TMF Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in Euro and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the income statement.

For defined contribution plans, TMF Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntarily basis. TMF Group has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefit expense when they fall due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other long-term employee benefits

Some TMF Group companies provide jubilee or anniversary payments to their employees. The expected costs of these benefits are accrued over the period until the benefit is earned using the same accounting methodology as used for defined benefit pension plans, except that remeasurements are recorded in the income statement. These obligations are valued annually.

Paid holidays are regarded as an employee benefit and as such are charged to the income statement as the benefits are earned. An accrual is made at each balance sheet date to reflect the fair value of holidays earned but not yet taken.

2.26 Share-based payments

TMF Group operates an equity-settled, share-based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of TMF Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The share options do not relate to shares in the Company but to options to buy 'units' in TMF JSOP Employee Benefit Trust, an indirect shareholder of TMF Group. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

2.27 Provisions

Provisions are recognized when TMF Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

3. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

TMF Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

3.1 Goodwill impairment analysis

TMF Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.12. These calculations use post-tax cash flow projections based on financial budgets and five year forecasts approved by management. The annual 'Result from operating activities before acquisition, litigation, redundancy & restructuring costs and depreciation, amortisation, impairment charges' ('EBITDA') growth for the first 5 years majorly impacts the cash flow projections and is based on past performance and management's expectations of market development. Cash flows beyond the five year period are extrapolated using an estimated perpetual growth rate. Refer to note 14 for all key assumptions used for the recoverable amount calculations.

Assets held for sale are also part of impairment review by management.

These cash flow projections also support the going concern assumption.

3.2 Impairment of trade receivables

TMF Group periodically tests whether trade receivables, including unbilled services, have suffered any impairment, in accordance with the accounting policy stated in note 2.17. The calculation of the allowance account for trade receivables requires the use of estimates and assumptions consistent with the latest available information regarding the clients.

3.3 Provisions

The provisions of TMF Group mainly relate to legal cases and restructuring costs. Refer to note 2.27 for the general accounting policies used and to note 28 and 33 for more details.

3.4 Fair value estimation with respect to financial instruments

There are three valuation methods to determine the fair value of financial instruments. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

As at 31 December 2014, 2013 and 2012, the only financial instruments that are accounted for to fair value are derivative financial instruments. The fair value of all derivative financial instruments is based on the Level 2 method mentioned above.

The fair value of the derivative financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

TMF Group's finance department includes a team that performs the valuation of derivative financial instruments. Changes in Level 2 fair values are analysed at each reporting date during the quarterly closing.

Refer to note 25 for further information on derivative financial instruments.

4. Financial risk management

4.1 Financial risk factors

TMF Group's operating activities expose it to a variety of financial risks, such as market risks (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. TMF Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on TMF Group's financial performance.

Financial risk management is carried out by TMF Group's central treasury department (TMF Group treasury) under policies approved by management. TMF Group treasury identifies, evaluates and hedges financial risks in close co-operation with TMF Group's operating units. Management provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivatives and non-derivative financial instruments and investments of excess liquidity.

TMF Group's treasury risk management policy is to reduce, where it is deemed appropriate to do so, fluctuations in earnings and cash flows associated with changes in interest rates, foreign currency rates and the currency exposure of certain investments in foreign subsidiaries.

4.2 Interest rate risk

Interest rate risk is the risk that unexpected interest rate changes negatively affect TMF Group's results, cash flows and equity.

It is TMF Group's policy to mitigate the effects of interest rate volatility on its results, cash flows and balance sheet within certain boundaries. TMF Group's interest rate risk mainly arises from long-term borrowings. Borrowings issued at variable rates expose TMF Group to cash flow interest rate risk. Borrowings issued at fixed rates expose TMF Group to fair value interest rate risk.

TMF Group analyses its interest rate exposure on a periodic basis. Based on this analysis and in close cooperation with the banks, TMF Group determines whether derivative financial instruments should be in place to limit the interest rate risk in such a way that it has a minimum potential adverse effect on the financial performance of TMF Group. For the derivative financial instruments in place, reference is made to note 27.

At 31 December 2014, if market interest rates had been 100 basis points higher/lower with all other variables held constant, then this would have the following impact:

In million of Euro	2014	2013	2012
Result for the year	(1.2) /1.2	6.5 / (5.6)	(4.1) / 4.1
Other comprehensive income	2.1 / (2.1)	1.7 / (1.5)	12.1 / (12.2)
Fair value of derivative financial instruments	3.1 / (3.1)	7.8 / (6.7)	12.1 / (12.2)

4.3 Foreign currency exchange risk

TMF Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and related currencies. In several markets client contracts are denominated in Euro or US Dollars although this is not the functional currency in these markets.

Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and investments in foreign operations. Currently, no hedging of foreign exchange risk takes places.

TMF Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of TMF Group's foreign operations is managed primarily through limiting the net assets in foreign operations to the extent possible. As such, TMF Group does not apply for net investment hedge accounting in its financial statements.

As at 31 December 2014, if Euro had strengthened/weakened by 5% against the US Dollar with all variables held constant, the result for the year would have been €0.8 million lower/higher, mainly due to operating results partly compensated by bank overdraft in USD. As at 31 December 2013 and 2012, the result for the year would have been €2.1 million lower/higher and €3.2 million lower/higher respectively.

4.4 Credit risk

Credit risk is the risk that counterparties fail to meet their contractual payment obligations through insolvency or default as well as credit exposure to clients.

Credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions is managed centrally. For banks and financial institutions, TMF Group's policy is that only independently rated parties with a minimum rating of 'BBB' are accepted. However, in certain circumstances (e.g. due to local regulation) banks and financial institutions are used that are not rated and / or that do not have a minimum 'BBB' rating. The use of these banks and financial institutions is kept to the minimum level possible, closely monitored by TMF Group Treasury department and periodically reported to the Board of Directors.

Credit exposures to clients, including outstanding receivables and committed transactions, are managed on a local basis. Each local entity is responsible for managing and analysing the credit risk for each of their clients. Approval from management is mandatory before standard payment terms and delivery terms and conditions are contractually agreed with new clients.

TMF Group has significant concentrations of credit risk, being the loans receivable from related parties. The maximum credit risk exposure of TMF Group's financial assets at the end of the period is represented by the amounts reported under the corresponding balance sheet headings.

4.5 Liquidity risk

Liquidity risk is the risk that TMF Group does not have sufficient headroom (cash and cash equivalents plus committed credit lines) available to meet both TMF Group's day-to-day operating requirements and debt servicing obligations (interest and debt repayment).

TMF Group Treasury mitigates liquidity risk by ensuring TMF Group maintains sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Cash flow forecasting is performed by management of the operating entities of TMF Group which is consolidated by TMF Group Finance department. These rolling forecasts are monitored to ensure TMF Group's cash and liquidity requirements are sufficient to meet operational needs whilst maintaining sufficient headroom on its undrawn committed borrowing facilities (note 26). This enables management to monitor compliance with borrowing limits and debt covenants on its borrowing facilities.

In December 2014 the cash pool balances were transferred to another bank. The risk profile of this cash pool agreement is similar to the risk profile of the former cash pool agreement.

The table below analyses TMF Group's financial liabilities into relevant maturity groupings based on the period remaining to contractual maturity date. The cash flows with respect to operating lease commitments are shown in note 32. The amounts disclosed in the table are the contractual undiscounted cash flows and thus excluding capitalized finance costs. Balances due within 12 months are equal to their carrying balances as the impact of discounting is not significant.

In thousands of Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2014				
Loans and borrowings (note 26)	264,861	1,860	653,956	438,892
Derivative financial instruments (note 27)	4,796	-	-	-
Trade and other payables, excluding deferred income (note 30)	75,484	662	2,648	607
At 31 December 2013				
Loans and borrowings (note 26)	22,089	17,657	422,463	549,246
Derivative financial instruments (note 27)	-	7,156	-	-
Trade and other payables, excluding deferred income (note 30)	72,460	602	1,806	2,047
At 31 December 2012				
Loans and borrowings (note 26)	9,913	1,356	17,406	933,545
Derivative financial instruments (note 27)	-	-	11,655	-
Trade and other payables, excluding deferred income (note 30)	83,537	-	-	-

TMF Group has a revolving credit facility totalling €70.0 million as at 31 December 2014. This facility consists of a €51.0 million facility for cash needs (fully undrawn) and a €19.0 million facility for bank guarantees (of which €3.4 million is undrawn). As at 31 December 2014, 2013 and 2012 the undrawn borrowing facilities amounted to €54.4 million, €55.8 million and €53.7 million.

4.6 Capital risk management

TMF Group's objectives when managing capital is to safeguard TMF Group's ability to continue as a going concern in order to provide returns to shareholders, benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. TMF Group's loan and borrowings is considered as the most important item from capital management perspective.

TMF Group is highly leveraged and management focus is on cash generation and an important KPI used in this respect is the cash conversion ratio, which is the percentage of EBITDA converted into cash. Cash conversion is calculated as Cash generated from operations divided by EBITDA. There is sufficient headroom.

The following table sets out a breakdown of the cash flow for the years 2014, 2013 and 2012.

in thousands of Euro	2014	2013	2012
Result from operations before depreciation, amortisation, impairment charges and acquisition, litigation, redundancy & restructuring costs	115,476	105,312	97,940
Retirement benefit obligations	(3,754)	(2,103)	(3,732)
Changes in working capital	1,179	(6,281)	2,845
Changes in foreign currency	(1,835)	(650)	704
Cash generated from operations excluding cash for income tax paid, acquisitions, litigation, redundancy and restructuring costs	**111,066**	**96,278**	**97,757**
Cash conversion	*96.2%*	*91.4%*	*99.8%*

TMF Group treasury monitors cash balances on a daily basis. Appropriate action is taken to optimize interest costs while at the same time safeguarding sufficient liquidity. In order to further increase the efficient management of TMF Group's interest costs and revolving credit facility drawings, TMF Group has implemented a global cash management system and will continue to enhance cash management operations during 2015. This focus should make it possible for TMF Group to pay the interest on loans and borrowings.

During 2012, 2013 and 2014 TMF Group complied with its banking covenants. Following the refinancing of the senior bank debt with Senior Secured Notes and Senior Notes in December 2012, financial covenants based on financial ratios are only applicable for the revolving credit facility. The only financial covenant under the revolving credit facility relates to the ratio of Net Debt to EBITDA. There is sufficient headroom in place.

The following table sets out TMF Group's consolidated cash, total indebtedness, shareholders' funds, total capitalization and net debt as of December 2014, 2013 and 2012:

In millions of Euro	2014	2013	2012
Cash and Cash equivalents	**82.4**	**90.4**	**83.4**
Senior secured loan notes	450.0	405.0	405.0
Senior notes	195.0	175.0	175.0
Other loans	26.4	49.3	51.0
Total third party debt	**671.4**	**629.3**	**631.0**
Subordinated Shareholder Funding	425.7	374.2	327.4
Total equity	(229.9)	(203.0)	(164.0)
Total capitalization	**867.2**	**800.5**	**794.4**
Net third party debt	**589.0**	**538.9**	**547.6**
Total third party debt/ EBITDA	5.81	5.98	6.44
Net third party debt/ EBITDA	5.10	5.12	5.59

The Net debt excludes capitalized finance costs, long-term supply arrangements, advance client payments, deferred consideration and subordinated shareholder funding.

4.7 Offsetting financial assets and financial liabilities

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

- License fee receivables and payables within the licensing and collection operations of Freeway; and
- Cash and cash equivalents and bank overdrafts following cash pool agreements. In December 2014, the cash pool balances were transferred to another bank. Under the new cash pool agreement, TMF Group is not able to offset the bank overdrafts against the cash at bank.

Financial assets

As at 31 December 2014	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet: Financial instruments	Related amounts not set off in the balance sheet: Cash collateral received	Net amounts
In thousands of Euro						
Other receivables	55,284	(25,642)	29,642	-	-	29,642
Total	**55,284**	**(25,642)**	**29,642**	**-**	**-**	**29,642**

As at 31 December 2013	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet: Financial instruments	Related amounts not set off in the balance sheet: Cash collateral received	Net amounts
In thousands of Euro						
Other receivables	36,130	(8,861)	27,269	-	-	27,269
Cash and cash equivalents	323,916	(233,494)	90,422	-	-	90,422
Total	**360,046**	**(242,355)**	**117,691**	**-**	**-**	**117,691**

As at 31 December 2012	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet: Financial instruments	Related amounts not set off in the balance sheet: Cash collateral received	Net amounts
In thousands of Euro						
Other receivables	40,121	(9,180)	30,941	-	-	30,941
Cash and cash equivalents	269,197	(185,817)	83,380	-	-	83,380
Total	**309,318**	**(194,997)**	**114,321**	**-**	**-**	**114,321**

Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

As at 31 December 2014	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet: Financial instruments	Related amounts not set off in the balance sheet: Cash collateral received	Net amounts
In thousands of Euro						
Trade and other payables	119,109	(25,642)	93,467	-	-	93,467
Total	**119,109**	**(25,642)**	**93,467**	**-**	**-**	**93,467**

As at 31 December 2013	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet: Financial instruments	Related amounts not set off in the balance sheet: Cash collateral received	Net amounts
In thousands of Euro						
Loans and borrowings – current	255,583	(233,494)	22,089	-	-	22,089
Trade and other payables	94,079	(8,861)	85,218	-	-	85,218
Total	**349,662**	**(242,355)**	**107,307**	**-**	**-**	**107,307**

As at 31 December 2012	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet: Financial instruments	Related amounts not set off in the balance sheet: Cash collateral received	Net amounts
In thousands of Euro						
Loans and borrowings – current	195,730	(185,817)	9,913	-	-	9,913
Trade and other payables	100,643	(9,180)	91,463	-	-	91,463
Total	**296,373**	**(194,997)**	**101,376**	**-**	**-**	**101,376**

5. Segment information

The Board of Directors is TMF Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board of Directors for the purpose of allocating resources and assessing performance. The Board of Directors considers the business mainly from a geographic perspective. However, a part of the business does not fall under one of the geographic regions and is therefore disclosed separately.

TMF Group has operations in the following operating segments and locations:

- Belgium, the Netherlands and Luxembourg ('Benelux');
- Europe, the Middle East and Africa, excluding Benelux ('EMEA');
- The countries of North and South America ('Americas');
- The countries of the Asia Pacific region ('APAC'); and
- All other.

The category 'All other' includes the operations of International Licensing and Collection (Freeway) International Pensions (Panthera) and the corporate expenses of TMF Group.

In prior years, TMF Group had also continuing operations in a 'Fund Services' operating segment. As from December 2014, the Fund Services operating segment is reported as disposal group classified as held for sale. Refer to note 22 for further information.

The Board assesses the performance of the operating segments based on both external revenue and results from operations. This measurement basis excludes the effects of 'acquisition, litigation, redundancy & restructuring costs' and 'depreciation, amortisation and impairment charges'. The measure also excludes the effects of finance income and expenses since this type of activity is mainly driven by the central treasury function, which manages the cash position of TMF Group. Inter-segment revenue comprises management fees and services provided to clients by other entities in TMF Group. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

The following tables present revenue and profit information regarding TMF Group's operating segments for the years ended 31 December 2014, 2013 and 2012:

5. Segment information (continued)

Segments – income statement

In thousands of Euro	Benelux 2014	EMEA 2014	Americas 2014	APAC 2014	All other 2014	Elimina-tions 2014	Consoli-dated 2014
Total external revenue	126,609	143,164	71,760	66,483	6,289	-	414,305
Inter-segment revenue	18	200	-	315	7,911	(8,444)	-
Total segment revenue	**126,627**	**143,364**	**71,760**	**66,798**	**14,200**	**(8,444)**	**414,305**
Segment result							
Results from operations *)	71,921	50,743	21,713	15,226	(44,127)	-	115,476
Acquisition, litigation, redundancy & restructuring costs and DAI							(50,239)
Net finance costs							(102,532)
Income tax expense							(9,356)
Result discontinued operations							(4,575)
Result for the year							**(51,226)**

*) Result from operating activities before acquisition, litigation, redundancy & restructuring costs and depreciation, amortisation, impairment charges.

In thousands of Euro	Benelux 2013	EMEA 2013	Americas 2013	APAC 2013	All other 2013	Elimina-tions 2013	Consoli-dated 2013
Total external revenue	125,784	122,762	70,270	48,158	5,644	-	372,618
Inter-segment revenue	144	208	-	433	6,683	(7,468)	-
Total segment revenue	**125,928**	**122,970**	**70,270**	**48,591**	**12,327**	**(7,468)**	**372,618**
Segment result							
Results from operations *)	69,451	42,335	21,465	10,135	(38,074)	-	105,312
Acquisition, litigation, redundancy & restructuring costs and DAI							(39,807)
Net finance costs							(90,114)
Income tax expense							(5,572)
Result discontinued operations							(1,563)
Result for the year							**(31,744)**

*) Result from operating activities before acquisition, litigation, redundancy & restructuring costs and depreciation, amortisation, impairment charges.

5. Segment information (continued)

In thousands of Euro	Benelux 2012	EMEA 2012	Americas 2012	APAC 2012	All other 2012	Elimina-tions 2012	Consoli-dated 2012
Total external revenue	122,365	118,391	69,352	44,331	4,543	-	358,982
Inter-segment revenue	143	622	-	1,775	1,600	(4,140)	-
Total segment revenue	**122,508**	**119,013**	**69,352**	**46,106**	**6,143**	**(4,140)**	**358,982**
Segment result							
Results from operations *)	66,455	32,810	15,106	4,180	(20,611)	-	97,940
Acquisition, litigation, redundancy & restructuring costs and DAI							(46,040)
Net finance costs							(88,994)
Income tax expense							(6,452)
Result discontinued operations							(47)
Result for the year							**(42,290)**

*) Result from operating activities before acquisition, litigation, redundancy & restructuring costs and depreciation, amortisation, impairment charges.

Entity wide disclosures

The breakdown of external revenue in business lines is as follows:

In thousands of Euro	2014	2013	2012
Corporate Services	345,368	306,267	293,284
Structured Finance Services	40,085	37,749	33,269
Private Client Services	28,852	28,602	32,429
Total operations	**414,305**	**372,618**	**358,982**

The operating segment Benelux is mainly active in Corporate Services and Structured Finance Services. The other operating segments are active in all three business lines.

No individual external client represents more than 10 percent of TMF Group's external revenue.

The Company is domiciled in the Netherlands. As at 31 December 2014, 2013 and 2012, the total of non-current assets (other than financial instruments and deferred tax assets) located in the Netherlands amounts to respectively €388 million, €387 million and €395 million. The total of such non-current assets located in other countries amounts to respectively €292 million, €228 million and €238 million.

5. Segment information (continued)

Entity wide disclosures (continued)

The revenue from external clients originates from the following countries. For completeness sake, it is mentioned that a minor part of the revenue originating from the Netherlands is not included in the Benelux operating segment.

In thousands of Euro	2014	2013	2012
The Netherlands	80,347	80,934	80,491
Luxembourg	43,510	42,541	40,791
Other countries	290,448	249,143	237,699
Total operations	**414,305**	**372,618**	**358,982**

6. Business combinations

General

Alongside TMF Group's strategies for organic growth, it is TMF Group's intention where appropriate to continue to invest in acquisitions that provide additional scale to the business, a specific service line, assist in consolidating fragmented markets or address relevant geographical gaps. TMF Group uses a disciplined approach for all acquisition evaluations.

With an effective date of 8 January 2014, TMF Group acquired the non-controlling interest in the Custom House Group for an amount of €1 for the shares and a deferred consideration of maximum €20.7 million (including interest) for which the amount depends on future performance of the Custom House Group. The cash outflow in 2014 for this acquisition was €72 thousand and the existing loan from the former non-controlling interest shareholders was replaced by a deferred consideration of €16.0 million. In December 2014, this deferred consideration was re-valued based on a new contract to €13.2 million. No additional goodwill was created as a result of this acquisition. The acquisition of this non-controlling interest had a negative effect on equity of €0.3 million.

With an effective date of 9 January 2014, TMF Group acquired the assets and liabilities of PT Tass Axia Solusi ('Tass Axia'), Indonesia, for a total consideration of €1.9 million, and merged this business into TMF Group. The cash outflow 2014 from this acquisition, net of cash acquired, was €1.9 million. There is no deferred consideration and no contingent liabilities were acquired in this business combination.

With an effective date of 1 July 2014, TMF Group acquired the shares of KCS Limited, an independent pan-Asian Corporate services provider specialized in corporate accounting and payroll services, and merged this business into TMF Group. The consideration amounted to €63.2 million. The shares were legally transferred on 26 August 2014 and all voting equity interest were acquired. The cash outflow in 2014 from this acquisition, net of cash acquired, was €63.3 million. There is no deferred consideration and no contingent liabilities were acquired in this business combination.

With an effective date of 13 November 2014, TMF Group acquired the shares of GMG Trust Company (SA) (Pty) Ltd ('GMG Trust'), South Africa, and merged this business into TMF Group. The shares were legally transferred on 19 November 2014 and all voting equity interest were acquired. The consideration amounted to €1.4 million. The cash outflow in 2014 from this acquisition, net of cash acquired, was €0.7 million. The deferred consideration for this business combination amounts to €0.5 million No contingent liabilities were acquired in this business combination.

With an effective date of 29 November 2013, TMF Group acquired 100% of the share capital of Accepta AS, Norway, for a total consideration of €9.7 million, and merged this business into TMF Group. All voting equity interests were acquired. The cash outflow in 2013 from this acquisition, net of cash acquired, was €4.2 million. The deferred consideration for this business combination amounts to €5.0 million of which € 1.1 million is a contingent consideration. No contingent liabilities were acquired in this business combination.

Except for the acquisition of four non-significant non-controlling interests in current TMF Group companies, TMF Group did not invest in any acquisition during 2012. The acquisition of these non-controlling interests had a negative effect on equity of €0.6 million.

6. Business combinations (continued)

Acquisition Tass Axia (2014)

The assets and liabilities arising from the acquisition are as follows:

In thousands of Euro	Pre-acquisition carrying amounts	Fair value adjustments	Recognized values on acquisition
Intangible assets (note 14)	-	1,822	1,822
Property, plant and equipment (note 15)	30	-	30
Net identifiable assets and liabilities	**30**	**1,822**	**1,852**

Goodwill is calculated as follows:

In thousands of Euro	
Purchase consideration	
Cash paid	1,852
Total purchase consideration	**1,852**
Less: fair value of net assets acquired (excluding goodwill)	(1,852)
Goodwill (note 14)	**-**

The intangible fixed assets are tax deductible.

There is no contingent consideration

The impact on cash flows as a result of the acquisition is as follows:

In thousands of Euro	
Cash paid	1,852
Cash and cash equivalents acquired	-
Net cash outflow on acquisitions	**1,852**

The acquisition of Tass Axia positively impacted the revenue, the result from operating activities before depreciation, amortisation, impairment charges and acquisition, litigation, redundancy and restructuring costs and result of the year of 2014 with an amount of respectively €0.6 million, €0.3 million and €0.2 million. Had the transaction taken place at the beginning of the reporting period, these numbers would be approximately the same.

The acquisition costs amounted to €75,000 (note 10).

6. Business combinations (continued)

Acquisition KCS Limited (2014)

The assets and liabilities arising from the acquisition are as follows:

In thousands of Euro	Pre-acquisition carrying amounts	Fair value adjustments	Recognized values on acquisition
Cash and cash equivalents	4,581	-	4,581
Intangible assets (note 14)	2,470	26,590	29,060
Property, plant and equipment (note 15)	602	-	602
Deferred tax assets (note 17)	12	-	12
Trade and other receivables	6,371	(321)	6,050
Clients' funds held under trust	4,351	-	4,351
Retirement benefit obligations	(47)	-	(47)
Provisions (note 28)	-	(651)	(651)
Deferred tax liabilities (note 17)	(7)	(4,850)	(4,857)
Trade and other payables	(4,540)	-	(4,540)
Liability to previous shareholders KCS Limited	(4,706)	-	(4,706)
Current tax liabilities	(567)	-	(567)
Clients' funds ledger balances	(4,351)	-	(4,351)
Net identifiable assets and liabilities	**4,169**	**20,768**	**24,937**

Goodwill is calculated as follows:

In thousands of Euro	
Purchase consideration	
Cash paid	63,176
Total purchase consideration	**63,176**
Less: fair value of net assets acquired (excluding goodwill)	(24,937)
Goodwill (note 14)	**38,239**

The intangible assets are not tax deductible.

There is no contingent consideration

The impact on cash flows as a result of the acquisition is as follows:

In thousands of Euro	
Cash paid	63,176
Cash and cash equivalents acquired	(4,581)
Dividend paid to previous shareholders KCS Limited	4,706
Net cash outflow on acquisitions	**63,301**

6. Business combinations (continued)

Acquisition KCS Limited (2014) (continued)

The acquisition of KCS Limited positively impacted the revenue, the result from operating activities before depreciation, amortisation, impairment charges and acquisition, litigation, redundancy and restructuring costs and result of the year of 2014 with an amount of respectively €12.4 million, €2.2 million and €1.4 million. Had the transaction taken place at the beginning of the reporting period, these numbers would be approximately €26.1 million, €4.5 million and €3.0 million.

The acquisition costs amounted to €971,000 (note 10).

At acquisition date, KCS Limited had non-capitalized tax losses for approximately €2.0 million. As it is not probable that sufficient future taxable profits are available in the countries with such non-capitalized tax losses, no deferred tax asset is recognized.

6. Business combinations (continued)

Acquisition GMG Trust (2014)

The assets and liabilities arising from the acquisition are as follows:

In thousands of Euro	Pre-acquisition carrying amounts	Fair value adjustments	Recognized values on acquisition
Cash and cash equivalents	207	-	207
Intangible assets (note 14)	8	979	987
Property, plant and equipment (note 15)	33	-	33
Deferred tax assets (note 17)	25	-	25
Trade and other receivables	142	-	142
Current tax receivables	6	-	6
Trade and other payables	(124)	-	(124)
Deferred tax liabilities (note 17)	-	(274)	(274)
Net identifiable assets and liabilities	**297**	**705**	**1,002**

Goodwill is calculated as follows:

In thousands of Euro	
Purchase consideration	
Cash paid	894
Consideration deferred to future periods	507
Total purchase consideration	**1,401**
Less: fair value of net assets acquired (excluding goodwill)	(1,002)
Goodwill (note 14)	**399**

The intangible assets are not tax deductible.

The consideration deferred to future periods will be paid once the statutory annual accounts of GMG Trust of its fiscal year 2015 are finalised. This amount of deferred consideration is depending on the result from operating activities before depreciation, amortisation, impairment charges and acquisition, litigation, redundancy and restructuring costs in these statutory annual accounts. As at 31 December 2014, the estimated range of the (undiscounted) deferred consideration is between €0.4 million and €0.6 million.

The impact on cash flows as a result of the acquisition is as follows:

In thousands of Euro	
Cash paid	894
Cash and cash equivalents acquired	(207)
Net cash outflow on acquisitions	**687**

The acquisition of GMG Trust positively impacted the revenue, the result from operating activities before depreciation, amortisation, impairment charges and acquisition, litigation, redundancy and restructuring costs and result of the year of 2014 with an amount of respectively €0.3 million, €0.1 million and €0.1 million. Had the transaction taken place at the beginning of the reporting period, these numbers would be approximately €1.1 million and €0.3 million and €0.1 million. The acquisition costs amounted to €65,000 (note 10).

6. Business combinations (continued)

Acquisition Accepta AS (2013)

The assets and liabilities arising from the acquisition are as follows:

In thousands of Euro	Pre-acquisition carrying amounts	Fair value adjustments	Recognized values on acquisition
Cash and cash equivalents	485	-	485
Intangible assets (note 14)	-	3,414	3,414
Deferred tax assets (note 17)	8	-	8
Trade and other receivables	987	-	987
Trade and other payables	(1,405)	-	(1,405)
Deferred tax liabilities (note 17)	-	(956)	(956)
Net identifiable assets and liabilities	**75**	**2,458**	**2,533**

Goodwill is calculated as follows:

In thousands of Euro	
Purchase consideration	
Cash paid	4,683
Consideration deferred to future periods	4,970
Total purchase consideration	**9,653**
Less: fair value of net assets acquired (excluding goodwill)	2,533
Goodwill (note 14)	**7,120**

The intangible assets are not tax deductible.

The consideration deferred to future periods consists of:

- a part that will be paid once the final purchase price is agreed between parties (which was paid in 2014);
- a part that will be paid once the statutory annual accounts of Accepta AS of 2014, 2015 and 2016 are finalised; and
- a part that will be paid if certain growth targets are met in the period 2014 to 2016.

As at 31 December 2014, the estimated range of the remaining (undiscounted) deferred consideration is between €2.5 million and €2.9 million.

6. Business combinations (continued)

Acquisition Accepta AS (2013) (continued)

The impact on cash flows as a result of the acquisition is as follows:

In thousands of Euro	
Cash paid	4,683
Cash and cash equivalents acquired	(485)
Net cash outflow on acquisitions	**4,198**

The acquisition of Accepta AS positively impacted the revenue, result from operating activities before depreciation, amortisation, impairment charges and other income / expenses and result of the year of 2013 with an amount of respectively €568,000, €22,000 and €26,000. Had the transaction taken place on 1 January 2013, these numbers would be approximately €6.4 million, €1.4 million and €1.6 million. The acquisition costs amounted to €0.1 million.

Summary goodwill calculation

Goodwill is calculated as follows:

In thousands of Euro	2014	2013	2012
Purchase consideration			
Cash paid	65,922	4,683	-
Consideration deferred to future periods	507	4,970	-
Total purchase consideration	**66,429**	**9,653**	**-**
Less: fair value of net assets acquired (excluding goodwill)	(27,791)	(2,533)	-
Goodwill (note 14)	**38,638**	**7,120**	**-**

The goodwill recognized on acquisitions is attributable to the skills and technical talent of the acquired business's workforce, and the synergies and other benefits expected to be achieved from integrating the respective businesses into TMF Group. Besides this, goodwill includes the tax effect of the non-deductible intangible assets arising from business combinations. None of the additional goodwill is tax deductible.

6. Business combinations (continued)

Summary impact of cash flow

The impact on cash flows as a result of the acquisition(s) is as follows:

In thousands of Euro	2014	2013	2012
Cash paid	65,922	4,683	587
Cash and cash equivalents acquired	(4,788)	(485)	-
Dividend paid to previous shareholders	4,706	-	-
Net cash outflow on current year acquisitions	**65,840**	**4,198**	**587**
Deferred consideration cash payments from prior period acquisitions	2,009	989	558
Net cash outflow on acquisitions	**67,849**	**5,187**	**1,145**

7. Principal subsidiaries

Subsidiaries

For the list of the subsidiaries of TMF Group at 31 December 2014, reference is made to the section 'TMF Group entities' which is included as an appendix to the financial statements. All subsidiary undertakings are included in the consolidation. Only the shares in TMF Group B.V. are directly held by the parent company.

All of the subsidiaries have either operating activities in line with TMF Group's core business or are intermediate holding and/or finance structures.

Discontinued operations Fund Services operating segment (2014)

Reference is made to note 22.

Disposal Brazil Paralegal (2014)

At 1 May 2014, TMF Group has sold its interest in TMF Brazil Servicios Paralegalais e Contabeis Ltd for an amount of €195,000. As from that date TMF Group has no longer control of this entity. The impact on TMF Group's financial statements can be specified as follows:

In thousands of Euro	2014
Assets (excluding cash and cash equivalents)	(743)
Cash and cash equivalents of entity	(66)
Liabilities	234
Cash to be received from new owner	195
Gain on disposal (note 10)	**(380)**

In the first four months of 2014, Brazil Paralegal contributed €0.5 million to revenue and €0.1 million to the result from operating activities before depreciation, amortisation, impairment charges and other income / expenses. In the full year 2013 this was respectively €1.7 million and nil. In the full year 2012 this was respectively €1.5 million and €(0.2) million.

7. Principal subsidiaries (continued)

De-consolidation Parnassus (2013)

At 1 January 2013, TMF Group is no longer in control of Parnassus Accounting France S.àr.l. after re-assessment of the facts and circumstances by management, performed after a change in the legal form of the company. The impact on TMF Group's financial statements can be specified as follows:

In thousands of Euro	2013
Assets (excluding cash and cash equivalents)	(1,188)
Cash and cash equivalents of entity	(418)
Liabilities	699
Total	**(907)**

In 2012, Parnassus Accounting France S.àr.l. contributed €2.5 million to revenue and €0.2 million to the result from operating activities before depreciation, amortisation, impairment charges and other income / expenses.

Non-controlling interest

The total non-controlling interest for the period is €0.9 million, to a great extent related to the Freeway Entertainment Group. Since the non-controlling interest in Freeway is considered immaterial for TMF Group no further summarised financial information is disclosed.

In 2013 and 2012, the non-controlling interest related mainly to the Custom House Group. Since the non-controlling interest in Custom House was considered immaterial for TMF Group no further summarised financial information is disclosed. In 2014 the non-controlling interest in Custom House was acquired, refer to note 6.

Significant restrictions

Cash and cash equivalents of €4.3 million (31 December 2013: €8.2 million), held in China, Argentina and Venezuela, are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting cash and/or capital from the country.

Cash and cash equivalents of €17.3 million (31 December 2013: €27.6 million) held in Luxembourg, Austria, Norway and Malaysia are restricted due to local agreements such as financing, rent agreements or agreements with local regulators.

8. Employee benefit expense

Personnel expenses are summarised as follows:

In thousands of Euro	2014	2013	2012
Wages and salaries	172,363	151,964	148,062
Social security costs	21,118	18,386	17,898
Pension costs – defined contribution plans	5,765	4,854	3,881
Pension costs – defined benefit plans (note 29)	612	2,673	2,647
Other post-employment and long-term employee benefits*	211	536	-
Share-based payments (note 25)	150	-	-
Other personnel costs	21,048	17,163	16,554
Personnel costs recharged to disposal group classified as held for sale	(2,142)	(1,476)	(565)
Total employee benefit expense	**219,125**	**194,100**	**188,478**

* 2012 comparative figures are not available; such benefits were mainly reported as part of wages and salaries.

Other personnel costs relate to education expenses, lease car expenses, commuter allowances, recruitment costs, placement agencies, temporary employees and management fees.

The average number of full time equivalent employees (in continued operations) in 2014, 2013 and 2012 can be specified as follows:

	2014	2013	2012
Client servicing staff (average number of FTE)	3,626	3,137	2,975
Support staff (average number of FTE)	1,137	1,083	937
Average number of FTE (in continued operations)	**4,763**	**4,220**	**3,912**
Of which working in the Netherlands	419	450	455
Of which working abroad	4,344	3,770	3,457

A management equity participation plan was introduced in 2004. Under this plan certain key and senior managers are invited to indirectly invest in TMF Group. The investment is entered into at fair value, is equity settled and at the risk of the manager. In 2011 the former Equity Trust management equity participation plan was technically combined with the existing TMF management equity participation plan. In 2014 a new share-based payment scheme was introduced, refer to note 24.

The total expense in respect to the Dutch Crisis Levy tax, reported as part of social security costs, amounted to €98 thousand in 2013 and €74 thousand in 2012. The Dutch Crisis Levy tax was not applicable for 2014.

9. Sales, general and administrative expenses

In thousands of Euro	2014	2013	2012
Travel expenses	6,664	5,714	5,221
Marketing and sales expenses	3,356	3,360	2,506
Bad debt expenses (note 18)	4,051	3,747	4,472
Insurance	1,741	1,291	1,182
Bank charges	1,201	1,379	1,236
Other	4,422	3,774	3,946
Total sales, general and administrative expenses	**21,435**	**19,265**	**18,563**

10. Acquisition, litigation, redundancy and restructuring costs

In thousands of Euro	2014	2013	2012
Acquisition, due diligence and start-up costs	(1,685)	(1,937)	(413)
Litigation costs	(10,969)	(1,359)	(867)
Redundancy and restructuring costs	(10,172)	(5,978)	(17,047)
Impairment loss on financial assets available-for-sale	-	(907)	-
Result on disposal of non-current assets	(5,379)	(47)	(236)
Total acquisition, litigation, redundancy and restructuring costs	**(28,205)**	**(10,228)**	**(18,563)**

10. Acquisition, litigation, redundancy and restructuring costs (continued)

Acquisition, due diligence and start-up costs

The acquisition, due diligence and start-up costs in 2014 include costs for €2.1 million with respect to an acquisition in Brazil (finalized in March 2015, refer to Subsequent event note). Furthermore, costs are recognized with respect to the acquisitions of KCS Limited, Tass Axia and GMG Trust (refer to note 6) and the start-up of new offices in Zurich (Switzerland), Canada and various countries in Africa. These costs are compensated by a decrease in the fair value of deferred consideration relating to Custom House for an amount of €2.7 million following from amendments in the contract with the former shareholders.

In 2013, these costs mainly related to additional acquisition costs with respect to the merger with Equity Trust (accrual for possible non-deductible VAT on acquisition costs for €1.6 million) and to the acquisition of Accepta AS (refer to note 6).

In 2012, these costs related to an increase in deferred consideration.

Litigation costs

The 2014 litigation costs relate to a great extent to one-off regulatory costs together with an increased provision for current litigation in Jersey. The remainder relates to legal costs relating to legal claims. Legal claims are further disclosed in note 33.

In 2013, these costs related to a claim and legal costs on another legal case in Jersey (€1.9 million) and legal costs and settlements on various other legal claims. This was partly compensated by the release of a provision for another case (€3.1 million).

In 2012, these costs related to legal costs relating to legal claims.

Redundancy and restructuring costs

Redundancy and restructuring costs in 2014 mainly concerns expected remediation costs following a litigation in Jersey (€2.6 million), the restructuring of the Dutch business including termination costs with respect to management (€2.2 million), integration costs following the acquisition of KCS Limited (€1.2 million) and various redundancies and restructuring projects in other countries.

In 2013, the costs included termination fees for senior management (€ 2.1 million) and various redundancies and restructuring projects in other countries.

In 2012, the costs included the integration costs following the merger with Equity Trust (€7.7 million) and restructuring projects in Jersey (€1.7 million), Brazil (€1.3 million) and Curacao (€1.0 million). The remainder relates to various redundancies and restructuring projects in other countries.

Impairment loss on financial assets available-for-sale

The impairment loss on financial assets available-for-sale in 2013 originated from investments in other entities, available for sale. The loss reported is the variance between the carrying value of these investments and the anticipated sales price.

Gain / (loss) on disposal of non-current assets

The loss on disposal of non-current assets in 2014 relate mainly to provisions recognized following the intended disposal of the Fund Services business and the result of the disposal of Brazil Paralegal. Refer to respectively note 22 and note 7.

11. Finance income and expenses

In thousands of Euro	2014	2013	2012
Interest income on short-term bank deposits	11,006	9,603	9,706
Interest income on related party loan	7,775	7,307	6,200
Finance income	**18,781**	**16,910**	**15,906**
Secured senior bank loan	(50,504)	(48,533)	(54,101)
Interest rate swaps, transfer from equity and provision	(918)	(3,280)	(400)
Unsecured related party loan and subordinated loan	(51,415)	(44,799)	(37,548)
Secured bank overdrafts	(14,761)	(11,415)	(13,643)
Other	(359)	(958)	(225)
Total interest expense	**(117,957)**	**(108,985)**	**(105,917)**
Net foreign exchange result on financing activities	(3,356)	668	9
Finance expenses	**(121,313)**	**(108,317)**	**(105,908)**
Net finance costs	**(102,532)**	**(91,407)**	**(90,002)**

The net foreign exchange result in 2014 and 2013 mainly arose on US Dollar bank overdrafts.

12. Income tax expense

In thousands of Euro	2014	2013	2012
Current tax expense	14,972	12,299	10,081
Deferred income tax (note 17)	(5,616)	(6,726)	(3,629)
Total income tax expense	**9,356**	**5,573**	**6,452**

12. Income tax expense (continued)

The tax on TMF Group's profit before tax differs from the theoretical amount that would arise using the tax rates applicable in the Netherlands (25% for all years) on the profits of the consolidated entities as shown below:

In thousands of Euro	2014	2013	2012
Result for the year excluding discontinued operations	(46,651)	(31,474)	(44,554)
Total income tax expense	9,356	5,572	6,452
Result before income tax	**(37,295)**	**(25,902)**	**(38,102)**
Tax calculated at the Company's domestic applicable tax rate (25%)	(9,324)	(6,152)	(8,948)
Effect of tax rates in foreign jurisdictions	(104)	(2,152)	(1,920)
Income not subject to tax	(1,900)	-	-
Non-deductible expenses	3,699	-	-
Income not subject to tax / non-deductible expenses	-	279	1,506
Utilisation of previously unrecognized tax losses	(923)	(1,514)	(1,152)
Correction of previous years	163	384	199
Other non-profit related taxes (e.g. withholding taxes)	2,052	2,726	2,867
Tax losses where no deferred income tax asset was recognized	15,693	12,001	13,900
Tax charge	**9,356**	**5,572**	**6,452**
Weighted average effective tax rate	**(25.1)%**	**(22.6)%**	**(18.0)%**

13. Earnings per share

Basic earnings per share is calculated by dividing the result attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

Basic earnings per share is calculated as follows:

	2014	2013	2012
Result for the year attributable to owners of the parent (in thousand of Euro)	(52,106)	(30,525)	(40,902)
Weighted average number of ordinary shares in issue (in thousands)	18	18	18
Basic earnings per share (in Euro)	**(2,895)**	**(1,696)**	**(2,272)**
Basic earnings per share from continuing operations	(2,641)	(1,688)	(2,336)
Basic earnings per share from discontinued operations	(254)	(8)	64

Since the Company has no convertible debt or share options, the diluted earnings per share equals the basic earnings per share.

14. Intangible assets

In thousands of Euro	Goodwill	Client lists	Non-compete agreements	Brands	Software	Total
Cost						
Balance at 1 January 2012	**490,466**	**167,210**	**11,397**	**12,632**	**16,540**	**698,245**
Additions	-	-	-	-	4,982	4,982
Disposals	-	-	-	-	(90)	(90)
Exchange differences	(1,160)	(385)	(555)	(27)	(11)	(2,138)
Balance at 31 December 2012	**489,306**	**166,825**	**10,842**	**12,605**	**21,421**	**700,999**
Balance at 1 January 2013	**489,306**	**166,825**	**10,842**	**12,605**	**21,421**	**700,999**
Acquisitions through business combinations (note 6)	7,120	3,414	-	-	-	10,534
Additions	-	-	-	-	6,224	6,224
Disposals	-	(51)	-	-	(36)	(87)
Exchange differences	(6,361)	(3,056)	(1,369)	(197)	(12)	(10,995)
Balance at 31 December 2013	**490,065**	**167,132**	**9,473**	**12,408**	**27,597**	**706,675**
Balance at 1 January 2014	**490,065**	**167,132**	**9,473**	**12,408**	**27,597**	**706,675**
Acquired through business combinations (note 6)	38,638	31,407	394	-	68	70,507
Transferred to disposal group classified as held for sale (note 22)	(22,754)	(4,063)	-	(637)	(181)	(27,635)
Additions	-	-	-	210	7,608	7,818
Disposals	(500)	(503)	-	-	(280)	(1,283)
Exchange differences	15,769	9,058	152	198	444	25,621
Balance at 31 December 2014	**521,218**	**203,031**	**10,019**	**12,179**	**35,256**	**781,703**
Amortisation and impairment						
Balance at 1 January 2012	**6,955**	**39,292**	**9,717**	**2,247**	**11,814**	**70,025**
Amortisation for the year	-	14,486	1,432	1,243	4,027	21,188
Disposals	-	-	-	-	(65)	(65)
Exchange differences	(122)	(282)	(554)	(10)	(7)	(975)
Balance at 31 December 2012	**6,833**	**53,496**	**10,595**	**3,480**	**15,769**	**90,173**
Balance at 1 January 2013	**6,833**	**53,496**	**10,595**	**3,480**	**15,769**	**90,173**
Amortisation for the year	-	12,237	213	7,992	3,373	23,815
Disposals	-	(51)	-	-	(25)	(76)
Exchange differences	(263)	(2,770)	(1,342)	(150)	35	(4,490)
Balance at 31 December 2013	**6,570**	**62,912**	**9,466**	**11,322**	**19,152**	**109,422**

14. Intangible assets (continued)

Amortisation and impairment (continued)

Balance at 1 January 2014	**6,570**	**62,912**	**9,466**	**11,322**	**19,152**	**109,422**
Transferred to disposal group classified as held for sale (note 22)	-	(3,522)	-	(637)	(82)	(4,241)
Amortisation for the year	-	10,220	86	1,124	3,847	15,277
Disposals	-	(503)	-	-	(292)	(795)
Exchange differences	(144)	2,753	137	160	370	3,276
Balance at 31 December 2014	**6,426**	**71,860**	**9,689**	**11,969**	**22,995**	**122,939**

In thousands of Euro	Goodwill	Client lists	Non-compete agreements	Brand	Software	Total
Carrying amounts						
At 1 January 2012	**483,511**	**127,918**	**1,680**	**10,385**	**4,726**	**628,220**
At 31 December 2012	**482,473**	**113,329**	**247**	**9,125**	**5,652**	**610,826**
At 1 January 2013	**482,473**	**113,329**	**247**	**9,125**	**5,652**	**610,826**
At 31 December 2013	**483,495**	**104,220**	**7**	**1,086**	**8,445**	**597,253**
At 1 January 2014	**483,495**	**104,220**	**7**	**1,086**	**8,445**	**597,253**
At 31 December 2014	**514,792**	**131,171**	**330**	**210**	**12,261**	**658,764**

As at 31 December 2014, the carrying value of client lists primarily relates to the acquisition of Equity Trust and KCS Limited. On this date, the non-compete agreement relates to the acquisition of Tass Axia and the brand concerns investments in the TMF Group brand name.

For the years ended 31 December 2014 and 2013, the impact of the disposals on the income statement was limited. Refer to note 10.

Software includes the following amounts where TMF Group is a lessee under a finance lease:

In thousands of Euro	2014	2013	2012
Cost-capitalized finance lease	4,011	4,011	4,011
Accumulated amortisation	(3,343)	(2,005)	(668)
Carrying amount	**668**	**2,006**	**3,343**

14. Intangible assets (continued)

A segment level summary of the goodwill allocation is presented below.

In thousands of Euro	2014	2013	2012
Benelux	234,986	234,974	234,974
EMEA	140,387	136,147	129,403
Americas	53,711	50,671	53,372
APAC	85,708	38,949	41,156
Fund Services (note 22)	-	22,754	23,568
Total goodwill	**514,792**	**483,495**	**482,473**

Impairment tests for goodwill

The operating segments of TMF Group are determined to be the level at which goodwill is allocated and tested for impairment, as monitoring for internal management purposes does not take place on a lower level. The allocation of goodwill is made to those Cash Generating Units ('CGU') or groups of CGU's that are expected to benefit from the business combination in which the goodwill arose.

The recoverable amount of a CGU is determined based on the fair value less costs of disposal. This fair value qualifies as a level 3 fair value. The calculations use post-tax cash flow projections based on 2015 financial budgets and the five year forecasts approved by management. The annual EBITDA growth for the first 5 years is considered to be a key assumption and is based on past performance and management's expectations of market development. Cash flows beyond the five year period are extrapolated using an estimated perpetual growth rate.

2014	**Benelux**	**EMEA**	**Americas**	**APAC**
Discount rate (a)	**6.9%**	**8.9%**	**13.3%**	**9.8%**
EBITDA growth (b)	**4%**	**11%**	**16%**	**24%**
Perpetual growth (c)	**0.5%**	**0.5%**	**0.5%**	**0.5%**

2013	**Benelux**	**EMEA**	**Americas**	**APAC**	**Fund Services**
Discount rate (a)	8.3%	9.6%	10.3%	9.1%	8.9%
EBITDA growth (b)	4%	12%	13%	16%	23%
Perpetual growth (c)	1.5%	1.5%	1.5%	1.5%	1.5%

2012	**Benelux**	**EMEA**	**Americas**	**APAC**	**Fund Services**
Discount rate (a)	8.8%	10.0%	11.1%	9.5%	9.1%
EBITDA growth (b)	5%	16%	22%	46%	12%
Perpetual growth (c)	1.5%	1.5%	1.5%	1.5%	1.5%

a) Post-tax discount rate applied to the cash flow projection.
b) Year-on-year budgeted annual EBITDA growth for the first 5 years.
c) Year-on-year budgeted EBITDA growth after 5 years.

These assumptions have been used for the analysis of each region.

14. Intangible assets (continued)

Sensitivity analysis

In the following table is disclosed how much the discount rate could increase or the 'EBITDA growth percentage' could decrease, compared to the percentages disclosed above, before impairment would occur:

2014	Benelux	EMEA	Americas	APAC
Higher discount rate	6.0%	11.6%	17.0%	7.5%
Lower EBITDA growth percentage	13%	18%	19%	15%

2013	Benelux	EMEA	Americas	APAC	Fund Services
Higher discount rate	9%	8%	12%	7%	9%
Lower EBITDA growth percentage	10%	14%	15%	11%	15%

2012	Benelux	EMEA	Americas	APAC	Fund Services
Higher discount rate	8%	9%	15%	7%	16%

15. Property, plant and equipment

In thousands of Euro	Buildings	Leasehold improve-ments	Furniture and fittings	Office & computer equipment	Motor vehicles	Total
Cost						
Balance at 1 January 2012	**1,941**	**16,559**	**7,942**	**22,112**	**462**	**49,016**
Additions	-	3,596	713	2,975	56	7,340
Disposals	-	(879)	(654)	(1,155)	(151)	(2,839)
Exchange differences	(59)	355	(19)	(312)	32	(3)
Balance at 31 December 2012	**1,882**	**19,631**	**7,982**	**23,620**	**399**	**53,514**
Balance at 1 January 2013	**1,882**	**19,631**	**7,982**	**23,620**	**399**	**53,514**
Additions	-	536	703	3,102	72	4,413
Disposals	-	(2,204)	(1,886)	(1,306)	(37)	(5,433)
Exchange differences	(136)	(1,261)	(188)	(1,954)	(68)	(3,607)
Balance at 31 December 2013	**1,746**	**16,702**	**6,611**	**23,462**	**366**	**48,887**
Balance at 1 January 2014	**1,746**	**16,702**	**6,611**	**23,462**	**366**	**48,887**
Acquired through business combinations (note 6)	-	46	202	417	-	665
Transferred to disposal group classified as held for sale (note 22)	-	(926)	(1,175)	(2,881)	(16)	(4,998)
Additions	218	2,213	1,912	5,085	24	9,452
Disposals	-	(1,551)	(1,537)	(3,428)	(171)	(6,687)
Exchange differences	461	502	348	1,370	36	2,717
Balance at 31 December 2014	**2,425**	**16,986**	**6,361**	**24,025**	**239**	**50,036**
Depreciation						
Balance at 1 January 2012	**55**	**6,624**	**3,711**	**15,523**	**148**	**26,061**
Depreciation for the year	80	3,292	1,403	3,245	100	8,120
Disposals	-	(626)	(613)	(1,111)	(112)	(2,462)
Exchange differences	(29)	(91)	140	(165)	42	(103)
Balance at 31 December 2012	**106**	**9,199**	**4,641**	**17,492**	**178**	**31,616**
Balance at 1 January 2013	**106**	**9,199**	**4,641**	**17,492**	**178**	**31,616**
Depreciation for the year	77	2,744	1,282	2,906	92	7,101
Disposals	-	(2,170)	(1,861)	(1,319)	(27)	(5,377)
Exchange differences	(67)	(790)	(273)	(1,455)	(45)	(2,630)
Balance at 31 December 2013	**116**	**8,983**	**3,789**	**17,624**	**198**	**30,710**
Balance at 1 January 2014	**116**	**8,983**	**3,789**	**17,624**	**198**	**30,710**
Transferred to disposal group classified as held for sale (note 22)	-	(694)	(1,097)	(2,711)	(16)	(4,518)
Depreciation for the year	78	2,233	1,016	3,371	59	6,757
Disposals	-	(1,504)	(1,357)	(3,601)	(165)	(6,627)
Exchange differences	226	424	294	1,172	39	2,155
Balance at 31 December 2014	**420**	**9,442**	**2,645**	**15,855**	**115**	**28,477**

15. Property, plant and equipment (continued)

Carrying amounts

In thousands of Euro	Buildings	Leasehold improve-ments	Furniture and fittings	Office & computer equipment	Motor vehicles	Total
At 1 January 2012	**1,886**	**9,935**	**4,231**	**6,589**	**314**	**22,955**
At 31 December 2012	**1,775**	**10,432**	**3,341**	**6,128**	**221**	**21,898**
At 1 January 2013	**1,775**	**10,432**	**3,341**	**6,128**	**221**	**21,898**
At 31 December 2013	**1,630**	**7,719**	**2,822**	**5,838**	**168**	**18,177**
At 1 January 2014	**1,630**	**7,719**	**2,822**	**5,838**	**168**	**18,177**
At 31 December 2014	**2,005**	**7,544**	**3,716**	**8,170**	**124**	**21,559**

For the years ended 31 December 2014, 2013 and 2012, the impact of the disposals on the income statement was limited.

Office & computer equipment includes the following amounts where TMF Group is a lessee under a finance lease:

In thousands of Euro	2014	2013	2012
Cost-capitalized finance lease	1,000	-	-
Accumulated amortisation	(200)	-	-
Carrying amount	**800**	**-**	**-**

For operating lease costs regarding property, plant and equipment, refer to note 32.

16. Financial assets

In thousands of Euro	2014	2013	2012
Non-current financial assets			
Loans receivable from related parties	106,401	98,559	89,529
Loans and receivables	1,643	1,472	950
Total non-current financial assets	**108,044**	**100,031**	**90,479**
Current financial assets			
Loans receivable from related parties	326	-	-
Loans and receivables	563	462	515
Total current financial assets	**889**	**462**	**515**

The loans receivable from related parties are mainly loans provided to TMF Group HoldCo B.V. (2012, 2013 and 2014) and St. Andrew Street Unit Trust (2012). The loans provided to TMF Group HoldCo B.V. have interest percentages of 13.25% (new loan in 2013), Euribor + 5.60% and Wibor + 5.68% per annum. The year of maturity of these loans is respectively 2022, 2064 and 2064. The loan provided to St. Andrew Street Unit Trust was settled in 2013.

The non-current loans receivable include mainly long-term deposits.

The carrying value of the non-current loans and receivables and current financial assets approximate the fair value. The fair value of the loans receivable from related parties is based on Level 2 fair value calculations. These calculations concern discounted cash flow models using a rate base on market interest rate and risk premium specific to the loans receivable of Euribor + 4.59% for all years. In none of the years, transfers took place between fair value levels.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. None of the financial assets are either past due or impaired, except for the trade receivables as disclosed in note 18. The credit risk is considered to be very limited based on the credit ratings of the related parties, which form the majority of the receivables.

Current financial assets include financial assets available-for-sale which can be further specified:

In thousands of Euro	2014	2013	2012
Carrying value financial assets available-for-sale	907	907	-
Impairment loss (refer to note 10)	(907)	(907)	-
Total financial assets available-for-sale	**-**	**-**	**-**

Financial assets available-for-sale only includes investments in entities that are available-for-sale.

16. Financial assets (continued)

TMF Group classifies all other financial assets as loans and receivables, as specified below:

In thousands of Euro	Loans and receivables
31 December 2014	
Non-current financial assets	108,044
Trade and other receivables	136,526
Current financial assets	889
Clients' funds held under Trust	70,840
Cash and cash equivalents	325,864
Total	**642,163**
31 December 2013	
Non-current financial assets	100,031
Trade and other receivables	129,472
Current financial assets	462
Clients' funds held under Trust	52,512
Cash and cash equivalents	90,422
Total	**372,899**
31 December 2012	
Non-current financial assets	90,479
Trade receivables	132,391
Current financial assets	515
Clients' funds held under Trust	51,130
Cash and cash equivalents	83,380
Total	**357,895**

17. Deferred tax assets and liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax receivables against deferred tax liabilities and when the deferred income taxes relate to the same fiscal authority.

In thousands of Euro	2014	2013	2012
Deferred tax assets			
To be recovered after more than 12 months	4,174	2,525	1,230
To be recovered within 12 months	1,212	765	458
Total deferred tax assets	**5,386**	**3,290**	**1,688**
Deferred tax liabilities			
To be recovered after more than 12 months	(28,883)	(24,705)	(28,122)
To be recovered within 12 months	(3,396)	(3,118)	(4,244)
Total deferred tax liabilities	**(32,279)**	**(27,823)**	**(32,366)**
Deferred tax liability (net)	**(26,893)**	**(24,533)**	**(30,678)**

The gross movement in the deferred tax account is as follows:

In thousands of Euro	2014	2013	2012
Beginning of the year	**(24,533)**	**(30,678)**	**(34,298)**
Acquired through business combinations (note 6)	(5,094)	(948)	-
Transferred to disposal group classified as held for sale (note 22)	(1,275)	-	-
Exchange differences	(1,607)	-	-
Income statement credit (note 12)	5,616	7,093	3,620
End of the year	**(26,893)**	**(24,533)**	**(30,678)**

17. Deferred tax assets and liabilities (continued)

The movement in deferred tax assets and liabilities during the year is as follows:

Deferred tax assets

In thousands of Euro	Provisions	Tax losses	Property, plant and equipment	Other	Total
At 1 January 2012	**142**	**977**	**421**	**1,800**	**3,340**
(Charge) / credited to the income statement	766	(534)	(129)	(1,755)	(1,652)
At 31 December 2012	**908**	**443**	**292**	**45**	**1,688**
At 1 January 2013	**908**	**443**	**292**	**45**	**1,688**
Acquired through business combinations (note 6)	-	-	-	8	8
(Charge) / credited to the income statement	(690)	876	351	1,057	1,594
At 31 December 2013	**218**	**1,319**	**643**	**1,110**	**3,290**
At 1 January 2014	**218**	**1,319**	**643**	**1,110**	**3,290**
Acquired through business combinations (note 6)	-	-	37	-	37
Transferred to disposal group classified as held for sale (note 22)	-	(1,193)	(88)	-	(1,281)
(Charge) / credited to the income statement	215	2,911	48	166	3,340
At 31 December 2014	**433**	**3,037**	**640**	**1,276**	**5,386**

Deferred tax liabilities

In thousands of Euro	Fair value gains	Other	Total
At 1 January 2012	**35,170**	**2,468**	**37,638**
Charge / (credited) to the income statement	(3,630)	(1,642)	(5,272)
At 31 December 2012	**31,540**	**826**	**32,366**
At 1 January 2013	**31,540**	**826**	**32,366**
Acquired through business combinations (note 6)	956	-	956
Charge / (credited) to the income statement	(6,094)	595	(5,499)
At 31 December 2013	**26,402**	**1,421**	**27,823**
At 1 January 2014	**26,402**	**1,421**	**27,823**
Acquired through business combinations (note 6)	5,124	7	5,131
Transferred to disposal group classified as held for sale (note 22)	-	(6)	(6)
Exchange differences	1,607	-	1,607
Charge / (credited) to the income statement	(2,658)	382	(2,276)
At 31 December 2014	**30,475**	**1,804**	**32,279**

17. Deferred tax assets and liabilities (continued)

Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable. As at 31 December 2012, 2013 and 2014, TMF Group did not recognize deferred tax assets of respectively €56.4 million, €65.1 million and €68.8 million in respect of estimated taxable losses of respectively €215.7 million, €251.6 million and €263.7 million. The main part of the non-capitalised losses relates to the Netherlands and Luxembourg. The review of the impact on the tax losses in the Netherlands due to new regulations is not finished and the outcome is uncertain. The reported figures do not include the impact of the new regulations.

The taxable losses in the Netherlands will expire between 2015 and 2024, the majority of which will expire relatively evenly between 2018 and 2024. The taxable losses of Luxembourg will not expire.

For further information on the fiscal unity in the Netherlands, refer to note 33.

18. Trade receivables

In thousands of Euro	2014	2013	2012
Trade receivables	87,082	77,838	81,104
Less: Allowance for impairment of trade receivables	(11,254)	(10,619)	(11,162)
Trade receivables – net	75,828	67,219	69,942
Unbilled services	31,056	34,984	31,508
Total trade receivables (current)	**106,884**	**102,203**	**101,450**

Trade receivables are recognised at amortised costs, which approximate the fair value of the trade receivables.

The ageing of trade receivables is as follows:

In thousands of Euro	2014	2013	2012
Less than one month	38,437	31,896	35,890
2 - 3 months	19,197	15,542	15,430
4 - 6 months	10,029	10,591	8,836
7 - 12 months	9,779	10,057	10,050
1 - 2 years	5,030	4,881	6,590
More than 2 years	4,610	4,871	4,308
Trade receivables	**87,082**	**77,838**	**81,104**

18. Trade receivables (continued)

The fair values of total trade receivables are as follows:

In thousands of Euro	2014	2013	2012
Trade receivables - net	75,828	67,219	69,942
Unbilled services	31,056	34,984	31,508
Fair value of total trade receivables	**106,884**	**102,203**	**101,450**

Movements in the provision for impairment of trade receivables are as follows:

In thousands of Euro	2014	2013	2012
At 1 January	**10,619**	**11,162**	**12,128**
Acquired through business combinations (note 6)	273	885	-
Transferred to disposal group classified as held for sale (note 22)	(406)	-	-
Increase in the allowance for receivables impairment	4,342	4,784	6,642
Reversed allowance for trade receivables	(291)	(876)	(1,918)
Receivables written off during the year as uncollectible	(3,283)	(5,336)	(5,690)
At 31 December	**11,254**	**10,619**	**11,162**

It was assessed that a portion of the impaired trade receivables are expected to be recovered. The impairment profile of trade receivables is as follows:

In thousands of Euro	2014	2013	2012
Trade receivables not yet due and not yet impaired	46,168	37,533	36,165
Trade receivables due but not yet impaired	26,851	27,368	32,050
Trade receivables impaired	14,063	12,937	12,889
At 31 December	**87,082**	**77,838**	**81,104**

Trade receivables which are neither past due nor impaired are expected to be received in full. The ageing of trade receivables due but not yet impaired is mainly between 2 and 12 months. The ageing of trade receivables impaired are mainly > 7 months.

18. Trade receivables (continued)

The carrying amounts of TMF Group's total trade receivables and unbilled services are denominated in the following currencies:

In thousands of Euro	2014	2013	2012
Euro	58,952	61,823	61,591
US Dollar	22,756	20,744	25,049
GB Pound	10,446	9,914	8,741
Other	25,984	20,341	17,231
Total trade receivables and unbilled services	**118,138**	**112,822**	**112,612**

The maximum exposure of credit risk at the reporting date is the fair value of the receivables. TMF Group does not hold any collateral as security. TMF Group has no significant concentrations of credit risk.

19. Other receivables

In thousands of Euro	2014	2013	2012
Prepayments	11,454	7,946	6,996
Rental and other deposits	7,347	8,122	8,181
Interest receivable	2,286	2,441	2,511
Unbilled disbursements	2,010	1,933	1,974
Other receivables	6,545	6,827	11,279
Total other receivables	**29,642**	**27,269**	**30,941**

Other receivables are not overdue or impaired. Other receivables are recognised at amortised costs, which approximate the fair value.

20. Clients' funds held under Trust

Clients' funds held under Trust consists of client money that is held in TMF Group bank accounts on behalf of clients. Clients' funds held under Trust is recorded separately as an asset on the balance sheet of TMF Group. A corresponding liability is recognised within current liabilities to reflect the linked character for TMF Group.

In thousands of Euro	2014	2013	2012
Clients' funds held under Trust	70,840	52,512	51,130
Clients' funds ledger balances	(70,840)	(52,512)	(51,130
Net held under Trust	-	-	-

21. Cash and cash equivalents

In thousands of Euro	2014	2013	2012
Cash at bank and on hand	303,784	293,115	240,140
Short-term bank deposits	22,080	30,801	29,057
Bank overdrafts used for cash management purposes - offset with cash at bank	-	(233,494)	(185,817)
Total cash and cash equivalents	**325,864**	**90,422**	**83,380**
Bank overdrafts used for cash management purposes - not offset with cash at bank (note 26)	(243,491)	-	-
Total cash and cash equivalents and bank overdrafts	**82,373**	**90,422**	**83,380**

The carrying value of the cash and cash equivalents approximate the fair value.

TMF Group manages US Dollar and Euro notional cash pools. In these cash pools, the account balances are notionally offset for interest purposes without the central movement of funds. Interest is earned on the net balance of the pool. The total net balances in the cash pool as at 31 December 2012, 31 December 2013 and 31 December 2014 was respectively €8.8 million, €12.9 million and €5.0 million.

In December 2014 the cash pool balances were transferred to another bank. Under the new cash pool agreement, TMF Group is not able to offset the bank overdrafts against the cash at bank.

For restrictions on cash and cash equivalents refer to note 7.

22. Non-current assets held for sale and discontinued operations

General

The assets and liabilities related to the Fund Services operating segment have been classified as held for sale following a legally binding term sheet to sell 90% of the shares in all Fund Services entities to its current segment management. The legally binding term sheet was signed on 22 December 2014. A sale and purchase agreement was signed on 16 March 2015. The legal transfer of the shares is expected to take place in the summer of 2015.

The following is agreed in the sale and purchase agreement:

- The consideration payable at transaction date amounts to €1. In addition, a contingent consideration is payable in 2020 based on the EBITDA of the Fund Services operations of that year.
- Fund Services has to be resold by its management. This resale needs to take place before the end of 2020, otherwise TMF Group will obtain the majority share of Fund management.
- TMF Group cannot prevent the resale, but if no consent is given then 80% of the allocation of the resale price that would go to Fund management will be reallocated to TMF Group;
- TMF Group has tag along rights to sell its 10% minority share in case of a resale;
- TMF Group will provide a working capital facility, certain IT services and will sublease office space to Fund Services.
- TMF Group has protective rights to prevent leakages, but has no other involvement with the Fund Services operations.

Assets of disposal group classified as held for sale

In thousands of Euro	2014	2013	2012
Intangible assets	19,511	-	-
Property, plant and equipment	875	-	-
Deferred tax assets	1,281	-	-
Trade receivables	4,589	-	-
Other receivables	1,138	-	-
Current tax receivables	452	-	-
Clients' funds held under trust	50	-	-
Cash and cash equivalents	9,857	-	-
Total	**37,753**	-	-

22. Non-current assets held for sale and discontinued operations (continued)

Liabilities of disposal group classified as held for sale

In thousands of Euro	2014	2013	2012
Provisions (non-current)	196	-	-
Deferred tax liabilities	6	-	-
Provisions (current)	246	-	-
Trade and other payables	2,922	-	-
Current tax liabilities	641	-	-
Clients' funds ledger balances	50	-	-
Total	**4,061**	-	-

Result on disposal group

In accordance with IFRS 5, it is assessed whether the fair value less costs of disposal of the assets and liabilities held for sale is lower than the carrying value. The fair value less costs of disposal is based on the expected consideration minus the net debt related to this business. An impairment charge of €4.0 million is recognised on the intangible assets held for sale. The fair value calculation qualifies as a Level 3 calculation. The discount rate and EBITDA 2020, as used in the calculation amount to 10% respectively €6.7 million.

Analysis of the result of discontinued operations, and the result recognized on the re-measurement of assets and liabilities of the disposal group is as follows:

In thousands of Euro	2014	2013	2012
Revenue	18,337	24,215	32,853
Operating expenses	(18,522)	(20,625)	(23,466)
Acquisition, litigation, redundancy and restructuring costs	(1,007)	(1,416)	(2,788)
Depreciation, amortisation and impairment charges	(4,855)	(1,337)	(1,831)
Operating result	**(6,047)**	**837**	**4,768**
Net finance costs	399	(1,983)	(2,051)
Income tax expense	1,073	877	(453)
Result after tax of discontinued operations	**(4,575)**	**(269)**	**2,264**
Pre-tax gain / (loss) recognized on the re-measurement of assets of disposal group	-	-	-
Income tax expense	-	-	-
Result for the year from discontinued operations	**(4,575)**	**(269)**	**2,264**

22. Non-current assets held for sale and discontinued operations (continued)

Cash flows

In thousands of Euro	2014	2013	2012
Result before income tax	(5,649)	(1,146)	2,717
Depreciation, amortisation, impairment	4,855	1,337	1,831
Acquisition, litigation, redundancy and restructuring costs	1,007	1,416	2,788
Net finance costs	(398)	1,983	2,051
Trade and other receivables	1,012	1,558	1,914
Trade and other payables	(956)	(720)	(718)
Changes in foreign currency (excluding movement in currency translation reserve)	1,408	(495)	150
Cash generated from operations	*1,279*	*3,933*	*10,733*
Income tax paid	(536)	766	(2,258)
Redundancy and restructuring costs paid	(1,461)	(1,407)	(2,787)
Provisions	322	(609)	43
Net cash generated from operating activities and cash flow regarding acquisition, litigation, redundancy and restructuring costs and related provisions	**(396)**	**2,683**	**5,731**
Investment in intangible assets	(246)	(1)	(5)
Investment in property, plant and equipment	(700)	(127)	(307)
Disposal of intangible assets and property, plant and equipment	502	10	6
Dividend received	165	-	-
Borrowings issued	-	(75)	-
Borrowings received	-	-	11
Net cash used in investing activities	**(279)**	**(193)**	**(295)**
Proceeds from borrowings	98	70	245
Repayment of borrowings	(133)	(427)	(288)
Interest received	38	14	52
Interest paid	(237)	(3,068)	(3,201)
Net cash used in financing activities	**(234)**	**(3,411)**	**(3,192)**
Exchange gains / (losses) on cash and cash equivalents	301	(260)	(73)
Total cash flows	**(608)**	**(1,181)**	**2,171**

23. Equity

Share capital and share premium

At 31 December 2012, 31 December 2013 and 31 December 2014, the authorized share capital comprised 90,000 ordinary shares. The issued share capital amounts to €18,000 and consists of 18,000 ordinary shares with a nominal value of €1. All shares are fully paid and have similar rights in meetings of the shareholders.

In 2012 a capital contribution from the parent company for an amount of €7.8 million was added to the share premium reserve. No cash is received in this respect.

Retained earnings

At 31 December 2012, 2013 and 2014 legal reserves of respectively €8.2 million, €14.6 million and €19.8 million are included in retained earnings. Legal reserves are mandatory statutory reserves held by TMF Group subsidiaries. These reserves and the reserves that are reported as part of Other reserves (note 25) are not available for distribution to shareholders.

24. Share-based payment

In 2014 a plan was initiated to provide group senior management of TMF with shares (units) as employee benefit. In order to execute the plan a new trust fund was established named "TMF JSOP 2014 Employee Benefit Trust" (JSOP). Indirectly the JSOP owns 3,0426% of the shares of TMF Orange Holding B.V. The JSOP created 141,600 ordinary units which are partially distributed to senior management of TMF Group. Senior management received options that give them the right to acquire these units after an exit event. An exit event is defined as a sale or IPO of TMF Orange Holding B.V. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The exercise price of the granted options is based on the fair value of the underlying shares on the date of the grant.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price in € per share option	Options (in 1,000)	Average exercise price in € per share option	Options (in 1,000)	Average exercise price in € per share option	Options (in 1,000)
	2014		2013		2012	
At 1 January	-	-	-	-	-	-
Granted	16.1	34	-	-	-	-
Forfeited	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Total 31 December	**16.1**	**34**	**-**	**-**	**-**	**-**

Out of the 34,300 outstanding options, no options were exercisable. One option relates to 0,00388 shares in TMF Group Holding B.V.

24. Share-based payment (continued)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

			Share options (thousands)		
Grant-vest	**Expiry date**	**Exercise price in € per share option**	**2014**	**2013**	**2012**
2014-07	unknown	16.1	34	-	-
			34	-	-

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was 5.88 per option (2013: no options). The significant inputs into the model were weighted average share price of 21.11 (2013: no options) at the grant date, exercise price shown above, volatility of 22.57% (2013: no options), dividend yield of 0% (2013: no options%), an expected option life of 2.25 year (2013: not applicable) and an annual risk-free interest rate of 0.54% (2013: no options). The weighted average share price is based on expected EBITDA's and cash flows for the coming three years. Expected volatility is estimated by considering historical average share price volatility of comparable companies over a period equal to the expected option term. See note 10 for the total expense recognised in the income statement for share options granted to directors and employees.

25. Other reserves

Reconciliation of the movement in other reserves

In thousands of Euro	Currency translation reserve	Hedging reserve	Share-based payment reserve	Total other reserves
Balance at 1 January 2012	**14,581**	**(6,374)**	**-**	**8,207**
Translation movements	(1,948)	-	-	(1,948)
Cash flow hedges	-	(4,280)	-	(4,280)
Balance at 31 December 2012	**12,633**	**(10,654)**	**-**	**1,979**
Balance at 1 January 2013	**12,633**	**(10,654)**	**-**	**1,979**
Translation movements	(13,184)	-	-	(13,184)
Cash flow hedges	-	7,779	-	7,779
Balance at 31 December 2013	**(551)**	**(2,875)**	**-**	**(3,426)**
Balance at 1 January 2014	**(551)**	**(2,875)**	**-**	**(3,426)**
Translation movements	26,713	-	-	26,713
Share-based payments	-	-	150	150
Cash flow hedges	-	3,278	-	3,278
Balance at 31 December 2014	**26,162**	**403**	**150**	**26,715**

Currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

25. Other reserve (continued)

Hedging reserve

The hedging reserve includes the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges. Amounts accumulated in equity are reclassified to income statement in the periods when the hedged item affects the income statement. Refer also to note 11.

26. Loans and borrowings

In thousands of Euro	2014	2013	2012
Non-current			
Senior secured loan notes *	438,075	390,277	387,287
Senior loan notes *	189,832	168,638	167,566
Secured bank borrowings *	7,992	16,090	26,155
Related party loan (note 34) *	425,662	374,246	327,390
Unsecured, subordinated loans *	-	15,589	15,589
Deferred consideration payable **	15,158	2,811	1,139
Other non-current loans and borrowings *	896	631	2,033
Total non-current loans and borrowings	**1,077,615**	**968,282**	**927,159**
Current			
Secured bank overdrafts (note 21)	243,491	-	-
Current portion of secured bank borrowings *	17,687	17,300	7,634
Due to related parties (note 34) *	235	-	-
Deferred consideration payable **	2,566	3,284	858
Other current loans and borrowings *	882	1,505	1,421
Total current loans and borrowings	**264,861**	**22,089**	**9,913**
Total borrowings	**1,342,476**	**990,371**	**937,072**

* Interest bearing liabilities
** Deferred consideration payables are discounted amounts

TMF Group's primary source of finance is intercompany lending from TMF Group HoldCo B.V. and senior (secured) loan notes. These senior loan notes were issued on 7 December 2012, after which on the same date the senior loan facilities provided by a syndicate of banks were fully repaid. On 22 July 2014, additional senior loan notes were issued.

The deferred consideration payable relates to deferred payments and earn-out agreements with the former shareholders of acquired companies and sellers of client portfolios.

26. Loans and borrowings (continued)

Terms and repayment schedules

The terms and conditions of outstanding loans, excluding deferred consideration payables, are as follows:

In thousands of Euro	Currency	Nominal interest rate	Year of maturity	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
				2014		2013		2012	
Senior secured Loan notes	Euro	Euribor + 5.375%	2018	455,233	450,000	414,457	405,000	406,900	405,000
Senior loan notes	Euro	9.875%	2019	199,900	195,000	190,195	175,000	178,648	175,000
Capitalized costs on loan notes	-	-	-	(17,093)	(17,093)	(21,085)	(21,085)	(25,147)	(25,147)
Unsecured related party loan	Euro	6.26% - 16%	2022	478,871	425,662	408,771	374,246	364,970	327,390
Unsecured bank overdraft	Euro / USD	Ibor + 4.0%	Facility expires in 2018	243,491	243,491	-	-	-	-
Unsecured, subordinated loan	-	-	-	-	-	15,573	15,589	16,039	15,589
Financial lease	-	-	-	1,502	1,502	1,910	1,910	3,341	3,341
Other loans and borrowings	-	-	-	26,190	26,190	33,616	33,616	33,902	33,902
Total				**1,388,094**	**1,324,752**	**1,043,437**	**984,276**	**978,653**	**935,075**

The carrying value of the non-current deferred consideration approximate the fair value.

The fair values disclosed for the senior (secured) loan notes are based on Level 1 fair value calculations. The fair values disclosed for the unsecured related party loans are based on Level 2 fair value calculations. These calculations concern discounted cash flow models using a rate based on market interest rate and risk premium specific to the loans payable of Euribor + 11.29% for all years. In none of the years, transfers took place between fair value levels. Refer to note 31 for further information on related party loans.

The senior loan notes and revolving credit facility are secured over certain shares, bank accounts, trade receivables and intercompany receivables of several entities within TMF Group.

It is contractually agreed that the interest on the unsecured related party loans is rolled-up.

For the calculation of the amortised cost price of the senior secured loan notes, it is assumed in the prediction of future cash flows that future interest rates on these loan notes are comparable with the variable interest rate in 2012. The effective interest rate of the senior loan notes and bank loans is 0.90% for 2014, 0.98% for 2013 and 1.27% for 2012 higher than the nominal interest rate due to capitalised finance costs.

26. Loans and borrowings (continued)

The exposure of TMF Group's borrowings to interest rate changes and the contractual re-pricing dates are as follows:

In thousands of Euro	2014	2013	2012
12 months or less	710,927	38,179	35,210
1-5 years	205,887	409,308	404,909
Over 5 years	425,662	542,884	494,956
Total	**1,342,476**	**990,371**	**935,075**

For the maturity of TMF Group's borrowings refer to note 4.5. For further details on the revolving credit facility refer to note 4.5 and note 4.6.

Finance lease liabilities

The present value of the finance lease liabilities is as follows:

In thousands of Euro	2014	2013	2012
Gross finance lease liabilities – minimum lease payments:			
Less than one year	1,057	1,499	1,239
1-5 years	1,200	599	2,479
Over 5 years	-	-	-
Future finance charges on finance lease liabilities	(755)	(188)	(377)
Present value of finance lease liabilities	**1,502**	**1,910**	**3,341**
Less than one year	727	1,393	1,114
1-5 years	775	517	2,227
Over 5 years	-	-	-
Present value of finance lease liabilities	**1,502**	**1,910**	**3,341**

27. Derivative financial instruments

In thousands of Euro	2014		2013		2012	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – cash flow hedge	-	4,796	-	7,156	-	11,655
Balance at 31 December	**-**	**4,796**	**-**	**7,156**	**-**	**11,655**
Non-current	-	-	-	7,156	-	11,655
Current	-	4,796	-	-	-	-
Total	**-**	**4,796**	**-**	**7,156**	**-**	**11,655**

The full fair value of a hedging derivative is classified as non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months. The fair value is based on a Level 2 fair value calculation.

The ineffective portion recognized in the income statement that arises from cash flow hedges amounts to €0.9 million in 2014, €3.3 million in 2013 and €0.4 million in 2012.

TMF Group had no trading derivatives during 2012, 2013 and 2014.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2014 were €405 million (2013 and 2012: €405 million) at an average fixed interest rate of 1.27% (2013 and 2012: 1.27%). On 7 December 2012 the contractual end date of the interest rate swaps was extended from 1 September 2014 to 1 December 2015.

Gains and losses recognized in the hedging reserve in equity on interest rate swap contracts as of 31 December 2014 will be continuously released to the income statement within finance costs until the contractual end date of the interest rate swaps.

28. Provisions

In thousands of Euro	Legal	Restructuring	Loss making contracts	Employee benefits	Other	Total
Balance at 1 January 2012	**6,536**	**14,185**	**4,129**	**-**	**938**	**25,788**
Charged to the income statement:						
- Additions	2,218	1,679	-	-	26	3,923
- Unwind of discount	74	152	-	-	-	226
- Exchange differences	(47)	13	-	-	(10)	(44)
Used during the year	(1,050)	(5,143)	(2,064)	-	(766)	(9,023)
Balance at 31 December 2012	**7,731**	**10,886**	**2,065**	**-**	**188**	**20,870**
Balance at 1 January 2013	**7,731**	**10,886**	**2,065**	**-**	**188**	**20,870**
Charged to the income statement:						
- Additions	1,204	573	-	809	939	3,525
- Unwind of discount	232	567	-	153	-	952
- Exchange differences	(390)	(62)	-	(7)	(57)	(516)
Used during the year	(2,524)	(5,085)	(2,065)	(6)	(8)	(9,688)
Balance at 31 December 2013	**6,253**	**6,879**	**-**	**949**	**1,062**	**15,143**
Balance at 1 January 2014	**6,253**	**6,879**	**-**	**949**	**1,062**	**15,143**
Charged to the income statement:						
- Acquired through business combinations (note 6)	-	651	-	-	-	651
- Additions	10,799	6,742	68	809	502	18,920
- Unwind of discount	-	226	-	49	-	275
- Exchange differences	480	244	(2)	7	94	823
Used during the year	(4,175)	(1,843)	-	(216)	(914)	(7,148)
Transferred to disposal group classified as held for sale (note 22)	-	(34)	-	(196)	-	(230)
Balance at 31 December 2014	**13,357**	**12,865**	**66**	**1,402**	**744**	**28,434**

	2014	2013	2012
Current	19,525	4,841	7,531
Non-current	8,909	10,302	13,339
Balance at 31 December	**28,434**	**15,143**	**20,870**

28. Provisions (continued)

Legal

The legal provisions relate to costs with regard to legal cases in subsidiaries of TMF Group. The amount provided for relates to costs that will be incurred for these legal cases. It is unknown when the legal provisions will be used. For further details reference is made to note 33.

Restructuring

The restructuring provisions have been created to cover the Equity Trust integration costs, mainly in the Netherlands. Integration costs include staff redundancies and onerous office lease agreements. The additions in 2014 relate mainly to the intended disposal of the Fund Services business and expected remediation costs following from a litigation in Jersey.

A substantial part of the restructuring provisions will be used in 2015. The remainder will be used in the period up to 2018.

Loss making contracts

The provision for loss making client contracts in Jersey and Hong Kong covered unavoidable future losses as a result of these contracts. The provision is fully used as at 31 December 2013.

Employee benefits

The provision for employee benefits mainly relates to jubilee and anniversary benefit schemes of which the initial recognition took place in 2013 in the applicable countries.

29. Retirement benefit obligations

Introduction

TMF Group only operates retirement benefit obligations of significant importance in the Netherlands. Minor retirement benefit obligations are present in Switzerland and in some other countries.

The Netherlands

Until 31 December 2014, TMF Group operated four average salary pension schemes in the Netherlands, for its employees with a retirement age of 65 years and an entry age between 18 years and 25 years. The pension schemes were career average plans with for a part of the employees conditional indexation of accrued benefits and for a part of the employees unconditional indexation of accrued benefits. The scheme was an insurance scheme whereby the insurer will pay future annuities for which it received annual premiums from the employing company and (a part of) the employees. The insurance company falls under the supervision of the Dutch National Bank. The insurance company guarantees the accrued nominal benefits and as such essentially removes the downside risks to TMF Group. The pension schemes qualified as defined benefit scheme.

The funding agreement with the insurer described that the insurer could charge TMF Group for costs that cover the following purposes:

- Coming service benefits;
- Risk premiums for death benefits and disability benefits;
- Past service benefit increases due to (full) indexation of past service benefits to actives (for 1 of the pension schemes);
- Guarantee premiums, cost for the administration of the benefits, and the management cost of the assets; and
- Risk buffers.

TMF was not obliged to pay for:

- Past service benefit increases due to wage increases;
- Past service benefit increases due to (full) indexation of past service benefits to actives (apart from 1 of the pension schemes);
- Past service benefit increases due to (full) indexation of past service benefits to inactives;
- Catch up contributions (e.g. for a transitory plan); and
- Asset management fees, past service related administration cost.

Means that are available or will become available in the contract will, up to a maximum, be allocated to the current and former employees through benefit increases. Only after the maximum has been reached means will be allocated to TMF Group.

The assets in the scheme partly represented the market value of the funded benefits at the insurer, the (expected) interest profit sharing and the current account with the insurer, and partly represented the market value of investments in bonds. The liabilities in the scheme represented the present value of the current and future defined benefit pension obligations. Only in certain specific circumstances there was a legal obligation on TMF Group subsidiaries to fund any reported deficit in these schemes.

For one of the pension schemes a plan amendment took place, effective as from 1 January 2014. The past service costs for 2013 are separately disclosed on the next pages. The changes for this scheme were:

- Accrual rate increases from 1.79% to 1.84%.
- The retirement age for benefits accrued increases from 62 to 65.

29. Retirement benefit obligations (continued)

The Netherlands (continued)

All four average salary pension schemes were terminated at 31 December 2014. One new pension scheme was introduced for all Dutch staff. This new pension scheme qualifies as a defined contribution scheme. The impact of the settlement is separately disclosed on the next pages.

In addition to the new pension scheme, TMF Group agreed to contribute a fixed percentage of yearly gross salary of all staff employed at 31 December 2014 until retirement to a separate fund. This fund will be used for indexation of past service benefits to active staff. TMF Group is not obliged to pay any further contribution. A retirement benefit obligation is recognized at 31 December 2014. This retirement benefit obligation is of a long term nature.

Switzerland

A minor retirement benefit obligation is present in Switzerland. The benefits in the scheme results from the conversion of a savings account into a retirement pension. The conversion factor of the savings account into a retirement pension is further defined in the rules of the pension plan. The benefits are financed by both TMF Group and the employees. TMF Group contributes approximately two third of the total costs. As this retirement benefit obligation is considered not significant to the Group, only limited IAS19R disclosures have been included in these financial statements.

Other countries

Some minor retirement benefit obligations are present in other countries. As the individual retirement benefit obligations have negligible impact on the Group financials, no further disclosures have been included in these financial statements.

Liability in the balance sheet

The amounts in the balance sheet were determined as follows and are based on external actuarial reports.

In thousands of Euro	2014	2013	2012
Present value of funded obligations	9,911	47,434	43,937
Fair value of plan assets	(3,410)	(43,154)	(38,866)
Liability in the balance sheet	**6,501**	**4,280**	**5,071**
The Netherlands (average pension schemes)	-	2,436	3,036
The Netherlands (obligation to indexation fund)	4,144	-	-
Switzerland	1,063	742	914
Other countries	1,294	1,102	1,121
Liability in the balance sheet	**6,501**	**4,280**	**5,071**

29. Retirement benefit obligations (continued)

Movement in the liability for defined benefit obligations

In thousands of Euro	2014	2013	2012
Beginning of year	**47,434**	**43,937**	**30,838**
Current service cost	7,202	2,973	2,379
Employee contribution	1,235	1,215	1,205
Interest cost	1,725	1,550	1,418
Actuarial (gains) / losses	27,788	(655)	9,931
Net benefits paid	(802)	(152)	(1,834)
Past service costs	-	(1,434)	-
Result on settlements	(74,671)	-	-
End of year	**9,911**	**47,434**	**43,937**
The Netherlands (average pension schemes)	-	42,016	38,394
The Netherlands (obligation to indexation fund)	4,144	-	-
Switzerland	4,334	4,177	4,283
Other countries	1,433	1,241	1,260
End of year	**9,911**	**47,434**	**43,937**

The actuarial loss in 2014 can be split in a loss from a change in financial and demographic assumptions (€26.5 million) and a loss from experience (€1.3 million).

The expected contribution for 2015 for the Dutch indexation fund and for Swiss pension scheme are respectively €0.5 million and €0.4 million.

Movement in plan assets

In thousands of Euro	2014	2013	2012
Beginning of year	**43,154**	**38,866**	**27,000**
Return on plan assets, excluding amounts included in 'interest cost'	1,587	1,384	1,375
Actuarial gains / (losses)	21,813	(1,989)	5,345
Employer contributions	4,366	4,776	6,050
Employee contributions	1,235	1,215	1,205
Net benefits paid	(802)	(152)	(1,834)
Other costs	(300)	(295)	(275)
Past service costs	-	(651)	-
Result on settlements	(67,643)	-	-
End of year	**3,410**	**43,154**	**38,866**
The Netherlands (average pension schemes)	-	39,580	35,358
Switzerland	3,271	3,435	3,369
Other countries	139	139	139
End of year	**3,410**	**43,154**	**38,866**

The actuarial gain in 2014 is due to differences between the interest income and actual return on assets.

29. Retirement benefit obligations (continued)

Movement in plan assets (continued)

The actual return on plan assets for the years ended 31 December 2014, 2013 and 2012 is respectively €23.5 million, €0.4 million and €9.0 million.

The assets in the Dutch average salary plans comprised qualifying insurance policies with a profit sharing arrangement. The value of the profit sharing arrangement was based on the profit sharing provisions in the contracts with the insurance company. All assets were considered as 'not quoted in an active market'.

Expense recognized in the income statement

In thousands of Euro	2014	2013	2012
Current service cost	7,202	2,973	2,379
Interest cost	1,725	1,550	1,418
Other costs	300	295	225
Return on plan assets, excluding amounts included in 'interest cost'	(1,587)	(1,384)	(1,375)
Past service costs	-	(761)	-
Result on settlements	(7,028)	-	-
Total included in personnel expenses (note 8)	**612**	**2,673**	**2,647**
The Netherlands (average pension schemes)	(4,186)	2,397	1,961
The Netherlands (obligation to indexation fund)	4,144	-	-
Switzerland	462	295	364
Other countries	192	(19)	322
Total included in personnel expenses (note 8)	**612**	**2,673**	**2,647**

Principal actuarial assumptions – Dutch average pension schemes

	2014	2013	2012
Discount rate	2.00%	3.60%	3.50%
Future salary increases/ inflation	2.00%	2.00%	2.00%
Indexation	0.00%-2.00%	0.00%-2.00%	0.00%-2.00%
Turnover rate	1.30%-28.28%	10.00%-20.00%	10.00%-20.00%
Disability rate	0.14%-0.46%	0.14%-0.42%	0.14%-0.42%
Mortality	AG table 2014	AG table 2012-2062	AG table 2012-2062

For setting the discount rate the actuary used a basket of euro denominated bonds that are rated "AA" by Merrill Lynch. For durations up to approximately 12 years, this basket of bonds provides usable yield information. For durations over approximately 12 years the yield curve is extended, using ECB statistics on AAA-rated euro area central government bonds. Corporate bonds with a significant bid-ask spread are excluded. Based on this yield curve, and based on the estimated cash flows in the TMF plan, an effective discount rate for all liabilities in the plan is determined.

29. Retirement benefit obligations (continued)

Experience adjustments – Dutch average pension schemes

The experience adjustments on the plan liabilities and assets can be disclosed as follows:

In thousands of Euro	2014	2013	2012	2011	2010
Present value of funded obligations	-	42,016	38,394	34,250	20,941
Fair value of plan assets	-	(39,580)	(35,358)	(31,632)	(20,917)
Deficit / (surplus) in the plan	**-**	**2,436**	**3,036**	**2,618**	**24**
Experience adjustments on plan liabilities loss / (gain)	1,276	503	(88)	63	(10)
Experience adjustments on plan assets loss / (gain)	-	(930)	(114)	(35)	76

Sensitivity analysis – Dutch average pension schemes

The table below shows the approximate impact on the 2014, 2013 and 2012 pension costs if the mentioned key assumptions would change:

Impact on pension costs 2014 In thousands of Euro	Increase assumption	Decrease assumption
Mortality rate (+ 1 year)	127	-
Discount rate (+0.5% resp -0.5%)	(748)	888
Inflation (+0.5% resp -0.5%)	62	(61)

Impact on defined benefit obligation 2014

The impact on defined benefit obligation is nil as the pension schemes are settled before year-end.

Impact on pension costs 2013 In thousands of Euro	Increase assumption	Decrease assumption
Mortality rate (+ 1 year)	71	-
Discount rate (+0.5% resp -0.5%)	(478)	572
Inflation (+0.5% resp -0.5%)	55	(53)

Impact on defined benefit obligation 2013 In thousands of Euro	Increase assumption	Decrease assumption
Mortality rate (+ 1 year)	915	-
Discount rate (+0.5% resp -0.5%)	(4,883)	5,737
Inflation (+0.5% resp -0.5%)	409	(393)

29. Retirement benefit obligations (continued)

Sensitivity analysis – Dutch average pension schemes (continued)

Impact on pension costs 2012 In thousands of Euro	**Increase assumption by 0.5%**	**Decrease assumption by 0.5%**
Discount rate	(479)	573
Inflation	57	(54)

Impact on defined benefit obligation 2012 In thousands of Euro	**Increase assumption by 0.5%**	**Decrease assumption by 0.5%**
Discount rate	(4,426)	5,198
Inflation	399	(384)

If more than one assumption were changed, the impact would not necessarily be the same as if only one assumption changed in isolation.

Principal actuarial assumptions – Dutch obligation to indexation fund

	2014
Discount rate	2.00%
Future salary increases/ inflation	2.00%
Turnover rate	1.30%-28.28%
Mortality	AG table 2014

Principal actuarial assumptions – Switzerland

	2014	**2013**	**2012**
Discount rate	1.45%	2.15%	2.00%
Future salary increases/ inflation	2.00%	2.00%	2.00%
Indexation	0.00%	0.00%	0.00%
Turnover rate	11% on average	11% on average	11% on average
Mortality	BVG 2010	BVG 2010	BVG 2010

30. Trade and other payables

In thousands of Euro	2014	2013	2012
Non-current			
Deferred income	4,418	2,902	858
Cash advances on rent contracts and rent-free periods	3,916	4,455	5,057
Total other payables	**8,334**	**7,357**	**5,915**

In thousands of Euro	2014	2013	2012
Current			
Trade payables	10,101	12,167	12,947
Deferred income	17,983	12,758	9,401
Social security and other taxes	17,562	16,755	14,350
Personnel expenses payable	20,778	15,975	13,830
Accrued expenses	13,363	12,762	16,224
Interest payable	6,808	6,676	5,735
Other payables	6,872	8,125	18,976
Total trade and other payables	**93,467**	**85,218**	**91,463**

The fair value of trade and other payables is close to the carrying value.

31. Cash generated from operations

In thousands of Euro	Note	2014	2013	2012
Result before income tax		(37,295)	(25,903)	(38,102)
Adjustments for:				
Amortisation / impairment	14	15,277	22,884	19,890
Depreciation / impairment	15	6,757	6,695	7,587
Retirement benefit obligations		(3,754)	(2,103)	(3,732)
Acquisition, litigation, redundancy & restructuring costs	10	28,205	10,228	18,563
Net finance costs	11	102,532	91,406	90,002
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):				
Financial assets		(596)	(198)	1,017
Trade receivables		(2,766)	(6,105)	(4,930)
Other receivables		(1,920)	3,955	(2,883)
Trade and other payables		6,461	(3,932)	9,641
Clients' funds held under Trust		(14,027)	(1,384)	(1,370)
Clients' funds ledger balances		14,027	1,384	1,370
Changes in foreign currency (excluding movement in currency translation reserve)		(1,835)	(651)	704
Cash generated from operations excluding cash flow regarding income tax paid, acquisition, litigation, redundancy and restructuring costs		**111,066**	**96,278**	**97,757**

32. Commitments

Capital commitments

As at 31 December 2014, 2013 and 2012, capital expenditure for the acquisition of property, plant and equipment contracted for at balance sheet date but not yet incurred amounted to respectively €947,000, nil and nil.

Operating lease commitments

TMF Group leases various offices under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

TMF Group leases various motor vehicles, office and computer equipment operating lease agreements. The lease expenditure charge to the income statement during 2014, 2013 and 2012 was respectively €24.8 million, €22.0 million and €24.0 million.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

In thousands of Euro	2014	2013	2012
Less than 1 year	25,606	18,248	22,262
1- 5 years	51,424	44,611	51,565
Over 5 years	14,971	19,779	21,333
Total operating lease commitments	**92,001**	**82,638**	**95,160**

Guarantees

As at 31 December 2014, 2013 and 2012, TMF Group has issued guarantees in connection with secured bank borrowings and office lease agreements amounting respectively to €15.6 million, €14.7 million and €16.3 million.

33. Contingencies

Legal claims

TMF Group has contingent liabilities in respect to legal claims. The most material claims are described below:

Case 1

Certain TMF Group companies provided trustee, director and administration services in property investment and development trusts and associated companies. Certain investors in respect of these investments have threatened legal proceedings and/or have filed complaints with the Jersey regulator against these TMF Group companies. Additionally, a claim was filed commencing proceedings in Jersey in December 2010 against two TMF Group companies by the current trustee and manager of three collective investment funds which invested in property development structures in respect of which the relevant TMF Group companies previously acted as trustee or manager. The legal proceedings involve investors claiming losses of substantial sums of money in connection with the underlying property investments in Eastern Europe. Certain of TMF Group companies' activities in Jersey are regulated and the Jersey regulator is in the process of concluding its investigation of some of TMF Group companies' actions relating to investments, including the handling of the investor complaints referred to above.

Case 2

A TMF Group company acted as one of the directors of a Dutch holding company whose subsidiary owned a Mexican property. Additional shares were issued by the subsidiary that resulted in the dilution of the Dutch holding company's (and its shareholders') indirect interest in the Mexican property. Legal proceedings were initiated in the Dutch Enterprise Chamber by one of the shareholders in the Dutch holding company alleging mismanagement by all three of its directors (only one of whom, as noted above, was a subsidiary of TMF Group). The Dutch Enterprise Chamber found that there was mismanagement on the part of all the directors. However, the Dutch Enterprise Chamber is not a forum to claim such damages, and the relevant shareholder started civil proceedings in the Netherlands against the TMF Group subsidiary and the other directors to claim damages (which damages still need to be substantiated). The plaintiff claimed funding for the civil claim by bringing a related preliminary proceeding in the Netherlands, but this claim was denied by the Dutch courts (in first instance and on appeal). The shareholders are exploring other options and in the meantime the civil proceedings have been put on hold.

Case 3

A TMF Group company provided certain services in connection with a structured finance transaction, whereby receivables from a bank were transferred to a special purpose vehicle ("SPV") managed and administered by a TMF Group company. The SPV issued notes to investors. The note Trustee on behalf of the note holders filed a claim in Luxembourg against TMF Group company in November 2012 asserting that certain formalities were not complied with in relation to the transferring of underlying assets and claiming that the SPV is at risk of material loss to the extent that it may be unable to repay the note holders. These proceedings have moved to the London Court of International Arbitration with the consent of the parties to the proceedings.

Case 4

The liquidators of an English company, of which during a prior period a certain TMF Group company had provided directors and administration services in Jersey, in February 2013 served legal proceedings against its former directors and TMF Group company. The primary assets of the English company consisted of substantial London property. The legal proceedings involve allegations of sale of the London property to a related entity at an undervalue, recovery of an associated loan and income generated by the London property.

33. Contingencies (continued)

Legal claims (continued)

Case 5

A TMF Group company provided administrative services to a trust that is the issuer for a student loan securitization program. The issuer issued notes to investors in order to acquire its receivables. Part of the administrative services by the TMF Group company is the calculation of interest to be paid to the note holders based on the transaction documentation. An incorrect rate has been used, which resulted in an overpayment of interest to the note holders. The issuer has filed a demand letter to the TMF Group company.

Case 6

A TMF Group company acted as one of the directors (but not sole director) of an investment fund that invested in life settlement policies and which it has been alleged has suffered certain losses. One of the investors of this investment fund commenced court proceedings claiming that (among other things) the TMF Group company, as director of the funds, should be held liable for these losses. It is unclear whether any other investors will join in these court proceedings.

While TMF Group cannot predict the outcome of the foregoing matters, based upon information currently available to TMF Group and in light of TMF Group's insurance coverage management does not believe that the final outcome of these proceedings and any threatened proceedings will have a material adverse effect on TMF Group's business, results of operations or financial condition.

TMF Group has contingent liabilities in respect to other legal claims arising from the normal course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

Contingent assets

During 2008 TMF Group sold and assigned €9.3 million of certain financial assets and deferred tax assets to Middenberm Group Holding Luxembourg S.A. which is entitled to return of 10% of the purchase price or the unrecovered portion thereof each year ('Yield'). This Yield will be calculated up to the date that Middenberm Group Holding Luxembourg S.A. has been able to unconditionally transfer all assets to a third party or otherwise realized in cash. If the aggregated proceeds received by Middenberm Group Holding Luxembourg S.A, for all assets are in excess of the purchase price, increased by the Yield, then the amount of excess shall be considered as an adjustment to the purchase price and repaid to TMF Group.

Fiscal unity

The majority of the Dutch entities within TMF Group are part of a fiscal unity with TMF Group HoldCo B.V. As a consequence, those entities and TMF Group HoldCo B.V. are jointly and severally liable for corporate income tax of such a fiscal unity. In some other countries, (some of the) entities form part of a fiscal unity and as a consequence those entities are jointly and severally liable for corporate income tax of such a fiscal unity.

34. Related party transactions

Ultimate controlling party

The shares in the Company are 100% held by TMF Group HoldCo B.V., which is 100% owned by TMF Orange Holding B.V. 63.24% of the ordinary shares and all preference shares in TMF Orange Holding B.V. are indirectly held by Doughty Hanson & Co V (which comprises a series of English limited partnerships with each limited partnership having a common general partner in Doughty Hanson & Co V Limited) and indirectly by the employees of affiliates of Doughty Hanson & Co V Limited. The remaining 36.76% of the ordinary shares in TMF Orange Holding B.V. are indirectly held by the current and previous management and employees of TMF Group.

In 2014, TMF Group provided services to Doughty Hanson & Co and its associated companies for €298 thousand (2013: €145 thousand; 2012: €192 thousand).

The Group has given loans to and received loans from TMF Group HoldCo B.V. The terms agreed on these loans are at arm's length. Refer to note 11, 16 and 26.

Transactions with key management, personnel and advisors

Key management personnel include the Board of Directors and members of the Executive Committee.

Key management personnel compensation comprised:

In thousands of Euro	2014	2013	2012
Wages, salaries and management fees	7,427	8,117	3,991
Share-based payment	150	-	-
Post-employment benefits	310	392	237
Total remuneration of key management	**7,887**	**8,509**	**4,228**

Other transactions with key management and personnel

TMF Group provided services to some personal structures of some key management personnel. The related amounts charged to key management personnel are limited and are at arm's length. TMF Group has not had any other material transactions with key management and personnel, except for the transaction as mentioned on page 100.

35. Subsequent events

Acquisition PwC Apriori

Introduction

With an effective date of 13 March 2015, TMF Group acquired the shares of PwC Apriori Serviços Contábeis Ltda ('Apriori SC') and PwC Apriori Tecnologia da Informação Ltda ('Apriori TI'). At this date all conditions that were included in the sale and purchase agreement, signed on 11 December 2014, were either fulfilled or waived.

Apriori SC and Apriori TI are both corporate service providers in Brazil, whereby the activities Apriori SC are regulated and subject to supervision of the Brazilian accounting board. The acquisition enhances the presence of TMF Group in Brazil significantly.

In the months following the acquisition of Apriori SC and Apriori TI, such entities will be merged into TMF Brazil Assessoria Contabil e Empresarial Ltda ('TMF Assessoria') and TMF Brasil Serviços Administrativos e Processamento de Dados Ltda ('TMF Serviços') respectively.

In compliance with regulatory requirements, 51% of the shares of TMF Assessoria remain held by individual accountants, which are local partners of TMF in its regulated accounting Business in Brazil ("Local Partners"). Based on the shareholders´ agreement executed with the Local Partners, TMF Group has no longer control over the entity, resulting in deconsolidation of TMF Assessoria and recognition of a share of the net profits in the merged entity. Based on the agreement entered into with the Local Partners, TMF Group is entitled to 80% of the financial rights of TMF Assessoria, including dividends generated by such entity. TMF Group will receive a consideration of €2.0 million for the transfer of 20% of the financial rights.

For information purposes an additional disclosure will be added in the 2015 accounts showing the Total revenue and Result from operating activities before depreciation, amortisation, impairment charges, acquisition, litigation, redundancy and restructuring costs including the Total revenue and Result from operating activities before depreciation, amortisation, impairment charges, acquisition, litigation, redundancy and restructuring costs of TMF Assessoria.

35. Subsequent events (continued)

Acquisition Apriori TI

The consideration for Apriori TI can be split in:

- A consideration of €14.5 million, to a great extent paid on the completion date. This amount is subject to changes in net debt and working capital. Once the net debt and working capital, transferred to TMF Group, are agreed, the remainder of this consideration is paid.
- A contingent consideration which is dependent on revenue recognised in 2015. The range of the contingent consideration is between nil and €9.7 million.

The pre-acquisition carrying values of the assets and liabilities of Apriori TI are unknown at this stage, as no full breakdown of the balance sheet of both Apriori entities have been presented to TMF Group. The full impact of fair value adjustments is to be assessed, but it is estimated that the fair value adjustments on intangible assets (apart from goodwill arising on the business combination) will be recognized for €4.0 million.

The fair value adjustments on intangible assets are tax deductible. In addition, goodwill will be amortised in the fiscal results.

Contingent liabilities of approximately €1.2 million are acquired. The contingent liabilities relate to finance lease commitments for SAP licenses.

The estimated acquisition costs amount to €2.5 million. These acquisition costs also include the costs with respect to the acquisition of Apriori SC.

All voting equity interests in Apriori TI were acquired.

Apriori TI is expected to contribute with an annualized revenue of €13.6 million, annualized result from operating activities before depreciation, amortisation, impairment charges and other income / expenses of €1.8 million and annualized net result of €0.1 million.

Acquisition Apriori SC

The consideration for Apriori SC can be split in:

- A consideration of €6.2 million, to a great extent paid on the completion date. This amount is subject to changes in net debt and working capital. Once the net debt and working capital, transferred to TMF Group, are agreed, the remainder of this consideration is paid.
- A contingent consideration which is dependent of revenue recognised in 2015. The range of the contingent consideration is between nil and €4.2 million.

The estimated annualized share in result with respect to the associate amounts to €0.2 million.

Deconsolidation TMF Assessoria

Subsequent to the merger between Apriori SC and TMF Assessoria, TMF Assesoria will be deconsolidated. In 2014, TMF Assessoria contributed revenue of €7.7 million, result from operating activities before depreciation, amortisation, impairment charges and other income / expenses of €1.0 million and net result of €(3.4) million to the consolidated figures of TMF Group.

35. Subsequent events (continued)

Acquisition Axiss International Mangement Ltd

On 27 January 2015 a sale and purchase agreement was signed for the acquisition of the shares of Axiss International Management Ltd ('Axiss'). Axiss is a fiduciary service provider on the Cayman Islands. The acquisition is subject to approval of the Cayman regulator.

The consideration is split into a payment on completion (approximately €0.9 million) and a contingent consideration which is dependent on future revenue of Axiss. The range of the contingent consideration is between nil and €0.7 million.

Axiss is expected to contribute annualized revenue of €0.7 million, annualized result from operating activities before depreciation, amortisation, impairment charges and other income / expenses of €0.2 million and annualized net result of €0.2 million.

36. Independent auditor's fee

The remuneration of PricewaterhouseCoopers Accountants N.V. ('PwC NL') can be specified as follows:

In thousands of Euro	2014 PwC NL	2014 Other PwC network	2014 Total PwC network
Audit of these financial statements	333	211	544
Other audit services	-	552	552
Total audit services	333	763	1,096
Other audit activities	366	-	366
Total PwC Accountants N.V.	699	763	1,472
Fiscal advice	546	164	710
Other services	-	134	134
Total	**1,245**	**1,071**	**2,306**

The remuneration of other audit firms with respect to the audit of these financial statements amounts to €17 thousands.

In thousands of Euro	2013 PwC NL	2013 Other PwC network	2013 Total PwC network
Audit of the financial statements	336	220	556
Other audit services	-	769	769
Total audit services	336	989	1,325
Other audit activities	-	22	22
Total PwC Accountants N.V.	336	1,011	1,347
Fiscal advice	460	146	606
Other services	-	-	-
Total	**796**	**1,157**	**1,953**

The remuneration of other audit firms with respect to the audit of these financial statements amounts to €17 thousand.

36. Independent auditor's fee (continued)

In thousands of Euro	2012 PwC NL	2012 Other PwC network	2012 Total PwC network
Audit of the financial statements	350	173	523
Other audit services	650	1,296	1,946
Total audit services	1,000	1,469	2,469
Other audit activities	-	-	-
Total PwC Accountants N.V.	1,000	1,469	2,469
Fiscal advice	300	182	482
Other services	-	-	-
Total	**1,300**	**1,651**	**2,951**

The remuneration of other audit firms with respect to the audit of these financial statements amounts to €17 thousand.

TMF GROUP

Global reach
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Signatures to the Company financial statements

The Board of Directors have today discussed and approved these Company Financial Statements for 2014 of TMF Group Holding B.V. (the 'Company'). These Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2014 and of the results of the Company's operations and the cash flows for the years ended 31 December 2014.

The Company's financial statements are presented for approval at the Annual General Meeting on 26 March 2015.

G.M. Stuart

M.C. van der Sluijs – Plantz

J.L.H. Winnubst

C. Fransen

Amsterdam, 26 March 2015

TMF GROUP

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Company income statement

In thousands of Euro	Note	For the year ended 31 December 2014	2013	2012
Personnel expenses		-	(64)	(70)
Professional fees		-	(12)	-
Sales, general and administrative expenses		(7)	(3)	(16)
Results from operating activities before depreciation, amortisation, impairment charges and acquisition, litigation, redundancy and restructuring costs		(7)	(79)	(86)
Acquisition, litigation, redundancy and restructuring costs	2	-	-	(558)
Operating result		**(7)**	**(79)**	**(644)**
Finance income	3	80,153	73,329	32,124
Finance expenses	3	(111,238)	(111,813)	(72,496)
Net finance costs		**(31,085)**	**(38,484)**	**(40,372)**
Result before income tax		**(31,092)**	**(38,563)**	**(41,016)**
Income tax expense	4	7,685	9,526	9,734
Result for the year		**(23,407)**	**(29,037)**	**(31,282)**

The notes on pages 133 to 140 are an integral part of these company financial statements.

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Company statement of comprehensive income

In thousands of Euro	Note	For the year ended 31 December 2014	2013	2012
Result for the year		**(23,407)**	**(29,037)**	**(31,282**
Revaluation of subsidiaries	5	182,707	(34,763)	55,755
Total items that will not be reclassified to income statement		**182,707**	**(34,763)**	**55,755**
Movements in cash flow hedge	10	3,278	7,779	(4,280)
Total items that may be reclassified subsequently to income statement		**3,278**	**7,779**	**(4,280)**
Other comprehensive income for the year, net of tax*		**185,985**	**(26,984)**	**51,475**
Total comprehensive income for the year		**162,578**	**(56,021)**	**20,193**

The notes on pages 133 to 140 are an integral part of these company financial statements.

* For all years the tax effect on Other comprehensive income amounts to nil because the majority of these transactions are included in the Dutch fiscal unity where tax losses are not valued.

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Company balance sheet

In thousands of Euro	Note	As at 31 December 2014	2013	2012
Assets				
Investment in subsidiaries	5	1,020,980	838,273	809,370
Financial assets	6	1,059,886	949,469	971,654
Total non-current assets		**2,080,866**	**1,787,742**	**1,781,024**
Other receivables		29	48	8
Financial assets	6	1,008	1,518	-
Current tax receivables		17,555	9,641	10,108
Cash and cash equivalents	7	96	50	16
Total current assets		**18,688**	**11,257**	**10,132**
TOTAL ASSETS		**2,099,554**	**1,798,999**	**1,791,156**
Equity				
Share capital	8	18	18	18
Share premium	8	180,126	180,126	180,126
Legal reserves	9	620,575	434,590	461,574
Retained earnings	8	(158,312)	(134,905)	(105,868)
Total equity attributable to owners of the parent		**642,407**	**479,829**	**535,850**
Liabilities				
Loans and borrowings	10	1,334,437	1,201,439	1,147,719
Derivative financial instruments	11	-	7,156	11,655
Total non-current liabilities		**1,334,437**	**1,208,595**	**1,159,374**
Loans and borrowings	10	112,606	105,592	88,526
Derivative financial instruments	11	4,796	-	-
Trade and other payables	12	5,308	4,983	7,406
Total current liabilities		**122,710**	**110,575**	**95,932**
Total liabilities		**1,457,147**	**1,319,170**	**1,255,306**
TOTAL EQUITY AND LIABILITIES		**2,099,554**	**1,798,999**	**1,791,156**

The notes on pages 133 to 140 are an integral part of these company financial statements.

TMF GROUP

Global reach
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Company statement of changes in equity

In thousands of Euro	Share capital	Share premium	Legal reserves	Retained earnings	Total
Balance at 1 January 2014	**18**	**180,126**	**434,590**	**(134,905)**	**479,829**
Result for the year	-	-	-	(23,407)	(23,407)
Other comprehensive income					
Cash flow hedges	-	-	3,278	-	3,278
Revaluation	-	-	182,707	-	182,707
Total other comprehensive income	**-**	**-**	**185,985**	**-**	**185,985**
Total comprehensive income	**-**	**-**	**185,985**	**(23,407)**	**162,578**
Balance at 31 December 2014	**18**	**180,126**	**620,575**	**(158,312)**	**642,407**

In thousands of Euro	Share capital	Share premium	Legal reserves	Retained earnings	Total
Balance at 1 January 2013	**18**	**180,126**	**461,574**	**(105,868)**	**535,850**
Result for the year	-	-	-	(29,037)	(29,037)
Other comprehensive income					
Cash flow hedges	-	-	7,779	-	7,779
Revaluation	-	-	(34,763)	-	(34,763)
Total other comprehensive income	**-**	**-**	**(26,984)**	**-**	**(26,984)**
Total comprehensive income	**-**	**-**	**(26,984)**	**(29,037)**	**(56,021)**
Balance at 31 December 2013	**18**	**180,126**	**434,590**	**(134,905)**	**479,829**

In thousands of Euro	Share capital	Share premium	Legal reserves	Retained earnings	Total
Balance at 1 January 2012	**18**	**172,323**	**410,099**	**(74,586)**	**507,854**
Result for the year	-	-	-	(31,282)	(31,282)
Other comprehensive income					
Cash flow hedges	-	-	(4,280)	-	(4,280)
Revaluation	-	-	55,755	-	55,755
Total other comprehensive income	**-**	**-**	**51,475**	**-**	**51,475**
Total comprehensive income	**-**	**-**	**51,475**	**(31,282)**	**20,193**
Transactions with owners					
Capital contributions	-	7,803	-	-	7,803
Total transactions with owners	**-**	**7,803**	**-**	**-**	**7,803**
Balance at 31 December 2012	**18**	**180,126**	**461,574**	**(105,868)**	**535,850**

The notes on pages 133 to 140 are an integral part of these company financial statements.

TMF GROUP

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Company cash flow statement

In thousands of Euro	Note	For the year ended 31 December 2014	2013	2012
Cash flows from operating activities				
Result before income tax		(31,092)	(38,563)	(41,016)
Adjustments for:				
Acquisition, litigation, redundancy and restructuring costs		-	-	558
Finance costs – net		31,085	38,484	40,372
Changes in working capital:				
Other receivables		(5)	(22)	-
Trade and other payables		(81)	(3,146)	3,147
Changes in foreign currency		(1)	(58)	1,604
Cash generated from operations, excluding cash flow regarding income tax paid, acquisition, litigation, redundancy and restructuring costs		(94)	(3,305)	4,665
Income tax (paid)/received		(88)	10,433	9,547
Net cash generated from / (used in) operating activities (excluding cash flow regarding acquisition, litigation, redundancy and restructuring costs)		**(182)**	**7,128**	**14,212**
Litigation, redundancy and restructuring costs paid		-	-	(558)
Net cash generated from / (used in) operating activities		**(182)**	**7,128**	**13,654**
Cash flows from investing activities				
Borrowings received		6,329	6,779	1,462
Borrowings issued		(67,194)	-	(499,989)
Net cash generated from / (used in) investing activities		**(60,865)**	**6,779**	**(498,527)**
Cash flows from financing activities				
Proceeds from borrowings		68,700	3,824	778,401
Repayments of borrowings		-	-	(299,678)
Interest received		40,829	12,924	1,181
Interest paid		(51,618)	(48,696)	(23,516)
Net cash generated from / (used in) financing activities		**57,911**	**(31,948)**	**456,388**
Net movement in cash and cash equivalents and bank overdrafts		**(3,136)**	**(18,041)**	**(28,485)**
Cash and cash equivalents and bank overdrafts at beginning of the year		(105,542)	(88,509)	(59,664)
Exchange gains / (losses) on cash and cash equivalents and bank overdrafts		(2,650)	1,008	(360)
Cash and cash equivalents and bank overdrafts at end of the year		**(111,328)**	**(105,542)**	**(88,509)**

The notes on pages 133 to 140 are an integral part of these company financial statements.

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Notes to the company financial statements

1. General information

TMF Group Holding B.V. applies IFRS in the recognition and measurement of assets and liabilities and the determination of the result for its corporate financial statements. These financial statements are prepared in accordance with the standards laid down by the International Accounting Standards Board and adopted by the European Union ('IFRS'). Refer to the notes of the consolidated financial statements on pages 43 to 66 for further information on accounting policies, critical estimates and judgements and financial risk management. The valuation principle with respect to the subsidiaries is disclosed in note 5.

These consolidated financial statements voluntarily present three periods instead of two to comply with the agreements made in this respect with the holders of the senior (secured) loan notes.

The fair value calculation of the investment in subsidiaries is considered a critical accounting estimate and judgement. These calculations use post-tax cash flow projections based on financial budgets and five year forecasts approved by management. The annual 'Result from operating activities before acquisition, litigation, redundancy & restructuring costs and depreciation, amortisation, impairment charges' ('EBITDA') growth for the first 5 years majorly impacts the cash flow projections and is based on past performance and management's expectations of market development. Cash flows beyond the five year period are extrapolated using an estimated perpetual growth rate. Refer to note 5 for all key assumptions used.

2. Acquisition, litigation, redundancy and restructuring costs

In the financial years 2014, 2013 and 2012, the acquisition, litigation, redundancy and restructuring costs amounted to respectively nil, nil and €(0.6) million. The expenses in 2012 mainly related to the part of the refinancing costs that could not be capitalized.

3. Finance income and expenses

In thousands of Euro	2014	2013	2012
Interest income related parties	896	655	-
Interest income subsidiaries	79,257	72,674	32,116
Other	-	-	8
Finance income	**80,153**	**73,329**	**32,124**
Secured senior bank loan	(48,504)	(46,810)	(30,369)
Interest rate swaps, transfer from equity and provision	(918)	(3,280)	(400)
Unsecured related party loans	(51,415)	(45,059)	(23,948)
Unsecured loans from subsidiaries	(12,196)	(11,595)	(12,840)
Secured bank overdrafts	(5,236)	(4,788)	(4,246)
Other	(238)	(54)	(121)
Total interest expense	**(118,507)**	**(111,586)**	**(71,924)**
Net foreign exchange result on financing activities	7,269	(227)	(572)
Finance expenses	**(111,238)**	**(111,813)**	**(72,496)**
Net finance costs	**(31,085)**	**(38,484)**	**(40,372)**

The net foreign exchange result in 2013 and 2014 mainly arose on US Dollar bank overdrafts and non-EUR loans to subsidiaries. In 2012, the net foreign exchange result mainly arose on the US Dollar bank loans.

4. Income tax expense

The applicable domestic tax rate for the Company amounts to 25%. The weighted average tax rate amounts to 25% (2013 and 2012: 25%).

5. Investment in subsidiaries

In thousands of Euro	2014	2013	2012
1 January	838,273	809,370	747,304
Capital increases	-	-	6,311
Revaluation	182,707	(34,763)	55,755
Conversion shareholder loan	-	65,930	-
Reclassification	-	(2,264)	-
31 December	**1,020,980**	**838,273**	**809,370**

Refer to pages 142 to 148 for a list of subsidiaries. TMF Group B.V. is the only direct subsidiary of the Company.

Subsidiaries are initially recognized at available for sale instrument and subsequently measured at fair value less cost of disposal. Gains or losses arising from changes in the fair value are presented through equity with impairment losses recognized in the income statement.

The fair value of the subsidiaries is determined on a debt and cash free basis. These calculations used post-tax cash flows projections based on 2015 financial budget and the five year forecasts approved by management.

The fair value of the subsidiaries relating to the Fund Services operating segment are based on the expected consideration minus the net debt related to this business. For further information, refer to note 22 of the consolidated financial statements.

2014	**Benelux**	**EMEA**	**Americas**	**APAC**
Discount rate (a)	**6.9%**	**8.9%**	**13.3%**	**9.8%**
EBITDA growth (b)	**4%**	**11%**	**16%**	**24%**
Perpetual growth (c)	**0.5%**	**0.5%**	**0.5%**	**0.5%**

2013	**Benelux**	**EMEA**	**Americas**	**APAC**	**Fund Services**
Discount rate (a)	8.3%	9.6%	10.3%	9.1%	8.9%
EBITDA growth (b)	4%	12%	13%	16%	23%
Perpetual growth (c)	1.5%	1.5%	1.5%	1.5%	1.5%

2012	**Benelux**	**EMEA**	**Americas**	**APAC**	**Fund Services**
Discount rate (a)	8.8%	10%	11.1%	9.5%	9.1%
EBITDA growth (b)	5%	16%	22%	46%	12%
Perpetual growth (c)	1.5%	1.5%	1.5%	1.5%	1.5%

5. Investment in subsidiaries (continued)

a) Post-tax discount rate applied to the cash flow projection.
b) Year-on-year budgeted annual EBITDA growth for the first 5 years.
c) Year-on-year budgeted EBITDA growth after 5 years.

These assumptions have been used for the analysis of each region.

Sensitivity analysis

In the following table the impact on the 2014 investment in subsidiaries is disclosed if the discount rate or EBITDA rowth percentage would be 1% higher:

In million of Euro	Benelux	EMEA	Americas	APAC
1% higher discount rate	(95)	(60)	(21)	(28)
1% higher EBITDA growth percentage	44	33	12	15

6. Financial assets

In thousands of Euro	2014	2013	2012
Non-current loans receivable from subsidiaries	1,052,322	942,801	968,371
Non-current loans receivable from related parties	7,564	6,668	3,283
Current receivable from subsidiaries	1,008	1,518	-
Total financial assets	**1,060,894**	**950,987**	**971,654**

Non-current loans receivable from subsidiaries represents money lent to certain subsidiaries under similar terms and conditions as those received by the Company from the related party. A part of the loans has fixed interest rates between 6% and 15% per annum for the majority of the balance due from subsidiaries. The remainder of the loans has variable interest rates between Ibor + 1% and Ibor + 7%.

The fair value of the non-current loans from related parties and the current receivable from subsidiaries approximate the fair value. The fair value of the loans receivable from subsidiaries amount to €1,002.0 million. This fair value is based on Level 2 fair value calculations. These calculations concern discounted cash flow models using a rate base on market interest rate and risk premium specific to the loans receivable of partly Euribor + 4.59% and partly Euribor + 11.29% for all years. In none of the years, transfers took place between fair value levels. As there is no indication that the subsidiaries are not able to meet the repayment schedules, no impairment loss is recognized.

6. Financial assets (continued)

The movements in the non-current loans receivable from subsidiaries can be specified as follows:

In thousands of Euro	2014	2013	2012
1 January	942,801	968,371	446,006
Additions (including accumulated interest)	103,646	49,976	524,680
Repayments	(6,329)	(6,779)	(1,642)
Conversion shareholder loan	-	(65,930)	-
Changes in foreign currency	12,204	(2,837)	(673)
31 December	**1,052,322**	**942,801**	**968,371**

In 2013 and 2014, the non-current loans receivable from related parties concerns loans received from TMF Group HoldCo B.V. The loans have an interest rate of 13.25% per annum. In 2012, the non-current loans receivable from related parties was a loan provided to St. Andrew Street Unit Trust which was settled in 2013.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. None of the financial assets are either past due or impaired. The credit risk is considered to be very limited based on the credit ratings of the related parties and subsidiaries.

7. Cash and cash equivalents

The carrying value of cash and cash equivalents approximates the fair value.

8. Equity

Share capital and share premium

At 31 December 2012, 31 December 2013 and 31 December 2014, the authorized share capital comprised 90,000 shares divided into 90,000 ordinary shares. The issued share capital amounts to €18,000 and consists of 18,000 ordinary shares with a nominal value of €1 each. All shares are fully paid. All shares have similar rights in meetings of the shareholders.

In 2012 without issuing of shares, capital contributions from the parent company for an amount of €7.8 million were added to the share premium reserve.

9. Legal reserves

In thousands of Euro	Hedging reserve	Revaluation	Total legal reserves
Balance at 1 January 2012	**(6,374)**	**416,473**	**410,099**
Cash flow hedge	(4,280)	-	(4,280)
Revaluation	-	55,755	55,755
Balance at 31 December 2012	**(10,654)**	**472,228**	**461,574**
Balance at 1 January 2013	**(10,654)**	**472,228**	**461,574**
Cash flow hedge	7,779	-	7,779
Revaluation	-	(34,763)	(34,763)
Balance at 31 December 2013	**(2,875)**	**437,465**	**434,590**
Balance at 1 January 2014	**(2,875)**	**437,465**	**434,590**
Cash flow hedge	3,278	-	3,278
Revaluation	-	182,707	182,707
Balance at 31 December 2014	**403**	**620,172**	**620,575**

In accordance with Art. 2:390 Dutch Civil Code a revaluation reserve is maintained for the unrealized revaluation of subsidiaries valued at fair value less cost of disposal. For further details on the hedging reserve, refer to note 25 of the consolidated financial statements. Both the hedging reserve and the revaluation reserve are legal reserves and as such are not available for distribution to the shareholders.

The revaluation reserve contains mandatory statutory reserves held by subsidiaries. These legal reserves are not available for distribution to the Company. At 31 December 2014, 2013 and 2012, these mandatory statutory reserves amounted to respectively €19.8 million, €14.6 million and €8.2 million.

10. Loans and borrowings

In thousands of Euro	2014	2013	2012
Non-current			
Senior secured loan notes	443,747	397,292	395,574
Senior loan notes	192,290	171,669	171,151
Related party loan	425,661	374,246	395,191
Due to subsidiaries	272,738	258,232	185,803
Total non-current loans and borrowings	**1,334,437**	**1,201,439**	**1,147,719**
Current			
Secured bank overdrafts	111,424	105,592	88,526
Due to subsidiaries	1,182	-	-
Total current loans and borrowings	**112,606**	**105,592**	**88,526**
Total borrowings	**1,447,043**	**1,307,031**	**1,236,245**

10. Loans and borrowings (continued)

Terms and repayment schedules

The terms and conditions of outstanding loans are as follows:

In thousands of Euro	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Senior secured loan notes	455,233	450,000	414,457	405,000	406,900	405,000
Senior loan notes	199,900	195,000	190,195	175,000	178,648	175,000
Capitalized costs on loan notes	(8,962)	(8,962)	(11,039)	(11,039)	(13,275)	(13,275)
Related party loan	478,871	425,662	408,771	374,246	432,771	395,191
Due to subsidiaries	244,651	273,919	243,417	258,232	175,143	185,803
Secured bank overdrafts	111,424	111,424	105,592	105,592	88,526	88,526
Total	**1,481,117**	**1,447,043**	**1,351,393**	**1,307,031**	**1,268,713**	**1,236,245**

The fair values disclosed for the senior (secured) loan notes are based on Level 1 fair value calculations. The fair values disclosed for the related party loans and loans from subsidiaries are based on Level 2 fair value calculations. These calculations concern discounted cash flow models using a rate based on market interest rate and risk premium specific to the loans payable of partly Euribor + 4.59% and partly Euribor + 11.29% for all years. In none of the years, transfers took place between fair value levels

The fair value of the senior secured and senior loan notes is based on the average of the trading price stated by Bloomberg contributors. The average trading price per 31 December 2014 was at 101.539% of the book value for the senior secured loan notes and 103.568% for the senior loan notes.

The non-current loans from related parties have partly fixed interest rates between 6% and 15% per annum. The loans from subsidiaries have partly fixed interest rates between 5% and 6% per annum and partly variable interest rates between Ibor +1% and Ibor +10%. Refer to note 34 of the consolidated financial statements for further information on loans from related parties.

The exposure of TMF Group's borrowings to interest rate changes and the contractual re-pricing dates are as follows:

In thousands of Euro	2014	2013	2012
12 months or less	786,434	316,341	88,526
1-5 years	197,963	397,292	395,574
Over 5 years	462,646	593,398	752,145
Total	**1,447,043**	**1,307,031**	**1,236,245**

10. Loans and borrowings (continued)

Terms and repayment schedules (continued)

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the period remaining to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (and thus excluding capitalized finance costs).

In thousands of Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2014				
Loans and borrowings	112,606	-	645,000	698,399
Derivative financial instruments	4,796	-	-	-
Trade and other payables	5,308	-	-	-
At 31 December 2013				
Loans and borrowings	105,592	-	-	1,201,439
Derivative financial instruments	-	7,156	-	-
Trade and other payables	4,983	-	-	-
At 31 December 2012				
Loans and borrowings	88,526	-	-	1,147,719
Derivative financial instruments	-	-	11,312	-
Trade and other payables	7,406	-	-	-

11. Derivative financial instruments

Reference is made to note 27 of the consolidated financial statements.

12. Trade and other payables

The carrying value of trade and other payables approximates the fair value.

13. Commitments

Operating lease commitments

The Company has no operating lease commitments at balance sheet date.

14. Contingencies

With respect to contingencies reference is made to note 33 of the consolidated financial statements.

15. Related party transactions

Ultimate controlling party

The shares in the Company are 100% held by TMF Group HoldCo B.V., which is 100% owned by TMF Orange Holding B.V. 63.24% of the ordinary shares and all preference shares in TMF Orange Holding B.V. are indirectly held by Doughty Hanson & Co V (which comprises a series of English limited partnerships with each limited partnership having a common general partner in Doughty Hanson & Co V Limited) and indirectly by the employees of affiliates of Doughty Hanson & Co V Limited. The remaining 36.76% of the ordinary shares in TMF Orange Holding B.V. are indirectly held by the current and previous management and employees of TMF Group.

The loan given to St. Andrew Street Unit Trust of €3.2 million was settled in 2013 . The interest income for 2013 and 2012 amounted to nil.

The Company has received loans from TMF Group HoldCo B.V. and has given and received loans to / from subsidiaries. Reference is made to note 6 and 9. The terms agreed on these loans are at arm's length.

Other transactions with key management and personnel

The Company has not had any other material transactions with key management and personnel.

16. Differences in equity and income statement between the company and consolidated financial statements

In thousands of Euro	2014	2013	2012
Equity according to consolidated financial statements	(233,626)	(200,841)	(163,577)
Add: Difference in valuation of subsidiaries in company financial statements (being 'fair value less costs of disposal')	876,033	680,670	699,427
Equity according to company financial statements	**642,407**	**479,829**	**535,850**
Result for the year according to consolidated financial statements	(52,106)	(30,525)	(40,902)
Add: Revaluation of subsidiaries is reported in OCI in company financial statements	28,699	1,488	9,620
Result for the year according to company financial statements	**(23,407)**	**(29,037)**	**(31,282)**

17. Directors emoluments

Reference is made to note 34 of the consolidated financial statements.

TMF GROUP

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Other information

Appropriation of the result for the year

According to Article 23 of the Company's Articles of Association, the treatment of the net result for the year is at the discretion of the General Meeting of Shareholders. The Board of Directors propose to deduct the loss for the year of €51.2 million from the retained earnings.

Report of the independent auditor

For the report of the independent auditor, reference is made to page 30 to 31 of the consolidated financial statements.

Subsequent events

For the note on the subsequent events, reference is made to page 122 to 124 of the consolidated financial statements.

TMF GROUP

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TMF Group entities

The entities of TMF Group by country of incorporation as at 31 December 2014 are included below. All entities have a balance sheet date of 31 December.

Argentina
Almagesto S.R.L.
TMF Argentina S.R.L.
TMF Fiduciario Argentina S.A.
TMF Outsourcing S.R.L.
TMF Trust Company (Argentina) S.A.

Aruba
TMF (Aruba) N.V.
Vokad Aruba N.V.

Australia
KCS Corporate Services Pty Limited
TMF Australia RET Services Pty Limited
TMF Corporate Services (AUST) PTY Limited
TMF FundAdministrators (Australia) Pty. Ltd
TMF FundServices (Australia) Pty. Limited
TMF Nominees (AUST) PTY Limited

Austria
APS Buchfuhrungs- & Steuerberatungs Gmbh
dr. mayer gmbh wirtschaftstreuhand- und steuerberatungsgesellschaft
S.A.L.E.M. Assets Holding GmbH
TMF Accounting & Payroll Steuerberatungsgesellschaft GmbH
TMF Austria GmbH

Barbados
TMF Barbados Inc

Belgium
Poku Holding B.V.B.A.
TMF Accounting Services B.V.B.A
TMF Belgium N.V.
TMF Management N.V.
Van Dungen Automaten Exploitatie en Beheer B.V.B.A.

Bermuda
TMF (Bermuda) Limited

Bolivia
TMF Bolivia S.R.L.

Brazil
TMF Brazil Assessoria Contabil e Empresarial Ltda.
TMF Brazil Servicos Administrativos e Processamento de Dados Ltda.
TMF Sao Paulo Administracao e Participacoes Ltda.

British Virgin Islands
Aguila Nominees Limited
Alstonia Investments Ltd.
Anglo Nominees Limited
Anshun Services Limited
Barretta Limited
Bicourt Ltd.
Birchtown Limited
Bishopsgate Nominees Limited
Bison Financial Services Limited
Bison Group Limited
Business Administration Services Limited
Candorland Limited
Carissa Limited
Chapway Limited
CMS Limited
Commonwealth Fund Services Limited
Commonwealth Services Limited
Commonwealth Trust Limited
Derard Limited
Elara Group Limited
EQ Capital Plan Limited
EQ Executorship Services (BVI) Limited
EQ Fund Services (BVI) Limited
EQ Protectors Limited
Equity International Holdings Limited
Equity Trust Capital (BVI) Limited
F.M.C. Limited
Fanlau Limited
Fides Management Services Ltd.
Financial Trustees Limited
Fort Trust Company Limited
GCI Management Limited
Guarantee Management Ltd.
Guardian Trust and Securities Co. Ltd.
Havelet Trust Company (BVI) Limited
Homestead Management Limited
Imperial Trust Limited
Insinger Corporate Formations (BVI) Limited
Insinger Trust (BVI) Limited
Insinger Trustee Services (BVI) Limited
International Management Company (BVI) Limited
JAI Services Limited
Jasmine Nominees Limited
JH Ltd.
JN Ltd.
KCS China Limited
KCS Holdings (I) Limited
KCS Limited
KCS Services Limited
KCS Trust Limited
Kelday International Limited
LDC Financial Services Ltd
Leadenhall Services Limited
Lebaron Ltd
Leconte Ltd
Lucasjet Limited
Manacor (BVI) Limited
Manfell Limited
Marek Limited
Mediator Holdings Inc.
Melgusa Limited
MN Limited
Moonchamps Limited

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Moultrie Investments Limited
OCM Management Limited
Oldwick Holdings Limited
Opti Resources Limited
Optimal Corporate Services (BVI) Limited
Panbridge Nominee (Asia) Limited
PAS Limited
Prestocorp Limited
Prosec Limited
Pyramide Holding Limited
Quorum Corporate Services Limited
Ribalta Holdings Inc.
Rossan Corporate Management Ltd.
S.B. Vanwell Ltd
S.C.S. Limited
Sage Trust Company Limited
Sealight Trust Limited
Securities Management Ltd.
Shellbourne Trust Company (BVI) Limited
Shellbourne Trust Corporation
Shellbourne Trustees (BVI) Limited
Southfield Management Limited
SPC Directors Limited
Taunton Trading Limited
Threadneedle Services Limited
Tiepin Services Limited
TMF (BVI) Ltd.
TMF Administration Services Limited (BVI)
TMF Authorised Representative (BVI) Ltd.
TMF Company Limited
TMF Corporate Services (BVI) Limited
TMF Corporation (BVI) Limited
TMF Directors Limited
TMF Fundservices (BVI) Limited
TMF Group (BVI) Limited
TMF Group International Limited
TMF Incorp Directors (BVI) Limited
TMF Management (BVI) Limited
TMF Management Services Limited
TMF Transactions Limited
TMF Trust Company (Asia) Limited
Tower Secretaries Limited
Universal Corporate Services (BVI) Ltd.
Vencourt Limited
Vision Tower Limited
Vision Tower Purpose Trust
Wickhams Cay Trust Company Limited
Worldwide Financial Services Limited

Bulgaria
TMF Bulgaria E.o.o.d
TMF Fund Services Bulgaria EOOD
TMF Services EOOD

Canada
TMF Canada Management Inc.

Cayman Islands
Fides Limited
TMF (Cayman) Ltd.
TMF Nominees Ltd.

Chile
TMF Administradora S.A.
TMF Chile Asesorias Empresariales Ltda.
TMF Empresa de Servicios Transitorios Ltda.
TMF Servicios Integrales Ltda.

China
Beijing KCS East Business Registration Agency Firm
KCS Management & Consultancy (China) Co., Limited
TMF Services Limited

Colombia
Global Process Outsourcing S.A.S.
TMF Colombia Ltda.

Costa Rica
TMF Costa Rica (TMFCR) Ltda.

Croatia
TMF Croatia d.o.o.

Curacao
Bermaju N.V.
BFT (Curacao) N.V.
Cape Capital Foundation
Cape Capital Holding N.V.
Curab N.V.
EQ Trust Caribbean Holding N.V.
Etrusco N.V.
N.V. Fides
Pietermaai Building Association N.V.
Stichting Beheer TMF Curacao
Sweetlake Corporation N.V.
Tiana Services N.V.
TMF Curacao Holding B.V.
TMF Curacao N.V.

Cyprus
Equity Trust E.Q. (Cyprus) Ltd.
Stozelia Holdings Limited
TMF Administrative Services Cyprus Limited
TMF Company Secretary (CY) Limited
TMF Management Limited

Czech Republic
TMF Assets a.s.
TMF Czech a.s.
TMF Management Services s.r.o.

Denmark
TMF Denmark A-S

Dominican Republic
TMF Republica Dominicana C. por A.

Ecuador
TMF Ecuador Compania Limitada

Egypt
TMF Egypt L.L.C.

El Salvador
TMF El Salvador Ltda de C.V.

TMF GROUP

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Estonia
TMF Services Estonia OU

Ethiopia
TMF Group Ethiopia Plc

Finland
TMF Finland OY

France
Cinephil France S.A.S.
TMF Accounting France SAS
TMF France Management Sarl
TMF France S.A.S.
TMF VAT Services France S.A.S.

Germany
TMF Deutschland AG
TMF Management Holding Deutschland GmbH
Una Incorporation GmbH
Una Management GmbH

Ghana
TMF Ghana Ltd

Greece
TMF Group Administrative Services (Hellas) EPE - TMF Group (Hellas) EPE

Guatamala
TMF Guatamala Ltda.

Guernsey
Custom House Fund Services (Guernsey) Ltd.
Equity (Guernsey) Holdings Limited

Honduras
TMF Services Honduras S. de R.L.

Hong Kong
Abraxas International Limited
Abraxas Limited
Alhambra Limited
Bencory Limited
Berycon Limited
Byrneco Limited
Byrneco Management Services Limited
Capital Holdings Inc.
Cobyrne Limited
Commondale Limited
Dale Nominees Ltd.
EQ Corporate Management (China) Limited
EQ Enterprises Limited
EQ Group Services (HK) Limited
EQ Holdings (HK) Limited
EQ Sig Limited
Fanlaw Limited
FK Administration Limited
FK Shareholders No.1 Ltd
FK Shareholders No.2 Ltd
Folly Fort Limited
Glen Nominees Ltd.
Gold Bright International Limited
KCS Asia Holdings Limited
KCS China Holdings Limited
KCS Fiduciaries Limited
KCS Hong Kong Limited
Kelday Enterprises Limited
Keningnau Nominee Limited
King's Nominees Limited
Marvel Nominees Limited
Pacific Taxation Services Limited
Padnall Enterprises Limited
Panbridge Nominee Limited
Prince's Nominees Limited
Secnomcon Limited
Secreco Limited
Seraph Limited
Swinside Investments Limited
TMF Fiduciaries Limited
TMF Hong Kong Limited
TMF Secretarial Services Limited
TMF Secretaries (HK) Limited
TMF Signatories Limited
TMF Trust (HK) Ltd.
Trendline Limited
Venezie Nominees Limited
Veritatem & Co.
Veritatem Hong Kong Limited
Vixen Limited

Hungary
Freeway Entertainment Kft
Independent CAM Kft
Synonance Patents and Trademarks Kft
TMF Hungary Accounting and Services Limited Liability Company

India
TMF Services India Private Ltd.

Indonesia
PT K C Services Indonesia
PT TMF Indonesia

Ireland
TMF Administration Services Limited
TMF Custom House Fund Services (Ireland) Limited
TMF Management (Ireland) Limited
TMF Management Holding (Ireland) Limited

Israel
TMF Management and Accounting Services (Israel) Ltd.

Italy
Gentili & Partners - Studio Professionale Associato
TMF & Partners S.p.A.
TMF Compliance (Italy) S.r.l.
TMF Ferri Minnetti Piredda S.r.l.
TMF Invest Italy S.r.l.
TMF Management Italy Srl
TMF Payroll Services Italy S.r.l.

Jamaica
TMF Jamaica Limited

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Japan
KCS Japan Limited
TMF Group Limited (Japan)

Jersey
Amarado Limited
CH Limited
CN Limited
EQ Council Member Ltd.
EQ Directors One Ltd.
EQ Directors Two Ltd.
EQ Executors and Trustees Limited
EQ Holdings (Jersey) Limited
EQ Life Limited
EQ Nominees (Jersey) Limited
EQ Secretaries (Jersey) Limited
EQ Trust Holdings (Jersey) Limited
Equity Trust (Jersey) Limited
Equity Trust Guernsey Limited
Equity Trust Services Limited
Leadenhall Nominees Limited
Leadenhall Trust Company Limited
Manacor (Jersey) Limited
Manacor Nominees (Jersey) Ltd.
TMF Channel Islands Limited
TMF Charitable Trustee Limited
TMF Group Services (Jersey) Limited
TMF1 LIMITED
TMF2 Limited

Kazakhstan
TMF Kazakhstan LLP.

Kenya
TMF Kenya Ltd.

Korea
TMF Korea Co., Ltd.

Labuan
Britannia Limited
Equity Trust (Labuan) Sdn. Bhd.
Guarantee Management Purpose Trust
Marriott Investments Ltd.
Tiara Ltd.
TMF Fund Services Asia Limited
TMF Holdings Asia Limited
TMF International Pensions Limited
TMF Management Limited
TMF Secretaries Limited
TMF Treasury Limited
TMF Trust Labuan Limited

Latvia
TMF Latvia SIA

Liechtenstein
Byrne Trust Company Limited
TMF Management Services Anstalt

Lithuania
TMF Services UAB

Luxembourg
EQ Audit S.à r.l.
Equity Trust Holdings S.à.r.l.
Fides (Luxembourg) S.A.
Immobiliere Vauban S.A.
International Pyramide Holdings (Luxembourg) S.A.
Invex S.àr.l
Manacor (Luxembourg) S.A.
Mutua (Luxembourg) S.A.
Stichting Administrative Foundation Manacor Luxembourg
TMF Administrative Services S.A.
TMF Compliance (Luxembourg) S.A.
TMF Corporate Services S.A.
TMF Fund Services (Luxembourg) S.A.
TMF Luxembourg Holding S.A.
TMF Luxembourg S.A.
TMF Participations S.à r.l.
TMF Secretarial Services S.A.

Malaysia
EQ Secretaries Sdn. Bhd.
TMF Administrative Services Malaysia Sdn. Bhd.
TMF Global Services (Malaysia) Sdn. Bhd.
TMF Trustees Malaysia Bhd.

Malta
Equity Fund Services (Holdings) Limited
Equity Trust Malta Limited
Lily Trust
The Nascent Fund SICAV P.L.C.
TMF Custom House Global Fund Services Ltd
TMF FundAdministrators (Malta) Limited
TMF FundServices (Malta) Limited
TMF Holding Malta Limited
TMF Management and Administrative Services (Malta) Limited

Mauritius
Chardon Limited
Palisade Limited
Sentry Limited
TMF Mauritius Limited

Mexico
Servicios De Personal Y Control Plus S. De R.L. De C.V.
TMF BPO Services S. de R.L. de C.V.
TMF Business Process Outsourcing S. de R.L. de C.V.

New **Zealand**
TMF Corporate Services New Zealand Limited
TMF Fiduciaries New Zealand Limited
TMF General Partner Limited
TMF Trustees New Zealand Ltd.

Nicaragua
TMF Nicaragua y Compania Ltda.

Nigeria
TMF Administrative Services Nigeria Limited

Norway
TMF Norway A.S.
TMF VAT Services AS

TMF GROUP

Global reach
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Panama
Equity Directors (Panama) Ltd.
Equity International Incorporation (Panama) S.A.
Equity Presidents (Panama) Ltd.
Equity Treasurers (Panama) Ltd.
TMF Administration Services Panama Ltd.
TMF Mid-America Corp.
TMF Panama S. de R.L.

Paraguay
TMF Paraguay Ltda.

Peru
TMF Peru S.R.L.

Philippines
TMF Asia B.V. Philippines Inc.
TMF Philippines Inc.

Poland
TMF Poland Sp. z.o.o.
TMF VAT Services Poland Sp. z.o.o.

Portugal
TMF PT Servicos de Gestao e Administracao de Sociedades, Lda.

Qatar
TMF Group Business Services LLC

Romania
TMF Accounting and Payroll S.R.L.
TMF Management S.R.L.
TMF Romania S.R.L.

Russia
Corporate Management Rus L.L.C. - CMR, LLC
RMA Services, Ltd. RMA Services o.o.o.
TMF RUS, Ltd.

Samoa
TMF (Samoa) Limited

Serbia
TMF Services d.o.o. Beograd

Seychelles
TMF Group Seychelles Limited

Singapore
Equity Trust Services (Singapore) Pte Limited
KCS Business Services Pte Ltd
KCS Corporate Services Pte Ltd
KCS Executive Recruiment Services Pte Ltd
KCS Outsourcing Solutions Pte Ltd
KCS Payroll Express Pte Ltd
KCS Trust Limited
TMF Custom House Fund Services (Singapore) Pte Ltd
TMF Singapore H Pte. Ltd.
TMF Singapore Pte. Ltd.
TMF Trustees Singapore Limited

Slovakia
FMTA s.r.o.
TMF AUX, s.r.o.
TMF Services Slovakia s.r.o.

Slovenia
TMF Racunovodstvo in administrativne storitve D.O.O.

South Africa
GMG Corporate Fiduciary Service (Pty) Ltd.
GMG Hypoport (Pty) Ltd
TMF Administrative and Management Services (Pty) Ltd.
TMF Corporate Services (South Africa) (Pty) Ltd

Spain
Freeway Spain S.L.
TMF Latin America Holding Spain One S.L.U.
TMF Latin America Holding Spain Two S.L.U.
TMF Management Holding Spain S.L.U.
TMF Management Spain, S.L.
TMF Participations Holdings (Spain) S.L.
TMF Sociedad de Dirección, S.L.
TMF Sociedad de Participación, S.L.
TMF Spain S.A.
TMF VAT & Fiscal Representation Services Spain, S.L.

Sweden
Equity Trust Sweden AB
TMF Sweden AB

Switzerland
TMF Brunnen A.G.
TMF Investments S.A.
TMF Services S.A.

Taiwan
KCS TW Limited
TMF Taiwan Ltd.

Tanzania
TMF Service Tanzania Limited

Thailand
Parnassus Holding Thailand Co. Limited
TMF Thailand Ltd.

The Netherlands
Administratiekantoor van De Twentsche Trust-Maatschappij B.V.
BFT Nederland B.V.
Clear Management Company B.V.
Custom House Fund Services (Netherlands) B.V.
EQ Escrow Services B.V.
Freeway CAM B.V.
Freeway Entertainment Group B.V.
Freeway Patents and Trademarks B.V.
Jeewa B.V.
Kloppenberg Beheer B.V.
Manacor (Nederland) B.V.
Musibell B.V.
Nationale Trust Maatschappij N.V.
Nomet Management Services B.V.
Parnassus Trust Amsterdam B.V.
Persijn Beheer B.V.
RevCheck B.V.
Stichting Administratiekantoor Dolfinco
Stichting Cerulean
Stichting Derdengelden TMF

Stichting Ecotree
Stichting Eljan
Stichting Equity
Stichting Freeway Custody
Stichting l'Orage
Stichting Therog
Stichting TMF Participations
TMF Asia B.V.
TMF Bewaar B.V.
TMF Depositary N.V.
TMF Financial Services B.V.
TMF Fund Services B.V.
TMF GlobalCustody B.V.
TMF Group B.V.
TMF Group Holding B.V.
TMF Group Invest Two B.V.
TMF Group Services B.V.
TMF Group Services II B.V.
TMF Holding B.V.
TMF Holding Eastern Europe B.V.
TMF Holding International B.V.
TMF Latin America B.V.
TMF Leasing B.V.
TMF Management B.V.
TMF Middle East and Africa B.V.
TMF Netherlands B.V.
TMF North America B.V.
TMF Participations B.V.
TMF Poland B.V.
TMF Services B.V.
TMF SFS Management B.V.
TMF Slovakia B.V.
TMF Structured Finance Services B.V.
TMF Structured Products B.V.
TMF Trustee B.V.
Tradman FS Holding B.V.
Tradman Fund Services B.V.
Tradman IP Holding B.V.
Tradman Netherlands B.V.
Tudac B.V.
Venture Support B.V.

Turkey
CPA Serbest Muhasebeci Mali Musavirlik A.S.
TMF Yonetim Hizmetleri Limited Sirketi

Ukraine
TMF Ukraine L.L.C.

United Kingdom
470 Limited
Caravel Management Limited
Chigwell Investments Limited
EQ Trust UK Limited
Equity Trust (UK) Limited
Equity Trust Consultants (UK) Limited
Equity Trustees (UK) Limited
Freeway CAM (UK) Limited
Joint Corporate Services Limited
Joint Secretarial Services Limited
Krisolta Film & TV (UK) Limited
Praxis MGT Limited
Sonic Corporate Services Limited
TMF Corporate Administration Services Limited
TMF Corporate Secretarial Services Limited
TMF Corporate Services Limited
TMF Holding UK Limited
TMF Management (UK) Limited
TMF Management Holding UK Limited
TMF Nominees Limited
TMF Services (UK) Limited
TMF Trustee Limited
TMF VAT Services Limited
Warwick Investments Limited
WH Secretaries Limited

United States of America
Lord Securities (Delaware) L.L.C.
Lord Securities Corporation
TMF Custom House Fund Services (USA) LLC
TMF US Holding Inc.
TMF USA Inc.

Uruguay
Parnassus S.R.L.
TMF International Services Uruguay S.A.
TMF Trust Company (Uruguay) S.A.
TMF Uruguay Administradora de Fondos de Inversión y Fideicomisos S.A.
TMF Uruguay S.R.L.

Venezuela
TMF Services Venezuela C.A.
TMF Venezuela C.A.

Vietnam
KCS Vietnam Company Limited
TMF Vietnam Company Limited

* TMF Group wholly controls the above subsidiaries, except for the following:

Entity name	Country of incorporation	Ownership interest (%)
Cinephil France S.A.S.	France	60
Freeway Entertainment Kft	Hungary	60
Independent CAM Services Kft	Hungary	60
Panthera Ltd	Labuan	48
TMF Trustees Malaysia Bhd.	Malaysia	40
Freeway CAM B.V.	The Netherlands	60
Freeway Entertainment Group B.V.	The Netherlands	60
Freeway Patents and Trademarks B.V.	The Netherlands	60
Jeewa B.V.	The Netherlands	60
RevCheck B.V.	The Netherlands	60
Freeway Spain S.L.	Spain	60
Freeway CAM UK Limited	United Kingdom	60
Krisolta Film & TV UK Ltd.	United Kingdom	60