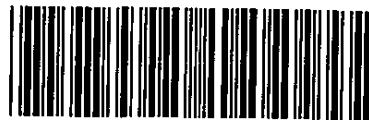


The Corporate Services Group Limited

Directors' Report and Financial Statements

for the 52 week period ended 31 December 2010

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The Corporate Services Group Limited
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The Corporate Services Group Limited
Company Information

Directors	A J Burchall R J Watson S I Moore
Company secretary	R J Watson
Registered office	800 The Boulevard Capability Green Luton LU1 3BA
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Auditors	PricewaterhouseCoopers LLP 10 Bricket Road St Albans Hertfordshire AL1 3JX

The Corporate Services Group Limited

Directors' Report for the 52 week period ended 31 December 2010

The directors present their report and the financial statements for the 52 week period ended 31 December 2010

Directors of the company

The directors who held office during the period were as follows

A J Burchall

R J Watson

S I Moore (appointed 11 February 2011)

N J Millinson (resigned 11 February 2011)

Principal activity

The principal activity of the company is that of an investment holding company

Business review

The profit the period of £11,202,000 (2009 loss of £9,521,000) has been transferred to reserves. This movement is mainly down to a large release in an impairment over intra-group balances which have now been deemed recoverable due to improved trading of the fellow group company. As at the period end the balance sheet of the company, in terms of net assets and equity shareholders' funds was £74,774,000 (2009 £63,572,000). The company is expected to continue as an investment holding company.

Insurance

Impellam Group plc ("the Group"), of which the company is a member, maintains a comprehensive insurance programme with a number of reputable third party underwriters. These insurance policies are reviewed annually to ensure that there is adequate cover for insurable risks and that the terms of those policies are optimised.

Principal risks and uncertainties

The principal risks and uncertainties of the Group, which include those of the company, are discussed in the Group Financial Director's Report in the Group's annual report which does not form part of this report. The Group's business and financial risks are managed at a Group level, rather than at an individual company level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the company.

Regulatory environment

The staffing industry is governed by an increasing level of compliance which varies from market to market. Additionally our clients require more complex levels of compliance in their contractual arrangements. The company takes its responsibilities seriously, is committed to meeting all of its regulatory responsibilities, and continues to strengthen its internal controls and processes with respect to legal and contractual obligations.

Donations

There were no charitable or political donations made by the company in either 2010 or 2009.

Supplier payment policy

The company's policy, which is also applied by the group of which the company is a member, is to settle terms of payment with suppliers when agreeing the terms of each transaction and to ensure that suppliers are made aware of the terms of payment. The company abides by the terms of payment. The company's trade creditors are settled by another group company.

Directors' liabilities

During the year and to the date of these accounts, the Group had in force an indemnity provision in favour of one or more Directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

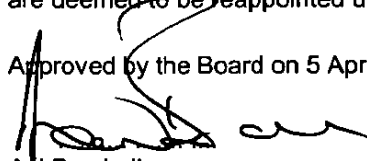
The Corporate Services Group Limited
Directors' Report for the 52 week period ended 31 December 2010

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Reappointment of auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and so are deemed to be reappointed under section 487(2) of the Companies Act 2006

Approved by the Board on 5 April 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'A J Burchall', is written over the text 'Approved by the Board on 5 April 2011 and signed on its behalf by'.

A J Burchall
Director

The Corporate Services Group Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

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

Independent Auditor's Report to the Members of The Corporate Services Group Limited

We have audited the financial statements of The Corporate Services Group Limited for the 52 weeks ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

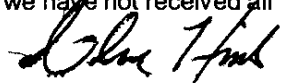
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Clive Hinds (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

5 April 2011

The Corporate Services Group Limited
Profit and Loss Account for the 52 week period ended 31 December 2010

	Note	2010 £ 000	2009 £ 000
Administrative income/(expenses)		12,848	(7,937)
Operating profit/(loss)	2	12,848	(7,937)
Other interest receivable and similar income	6	1,839	1,839
Interest payable and similar charges	7	(2,369)	(2,717)
Profit/(loss) on ordinary activities before taxation		12,318	(8,815)
Tax on profit or loss on ordinary activities	8	(1,116)	(706)
Profit/(loss) for the financial year		<u>11,202</u>	<u>(9,521)</u>

Operating profit/loss derive wholly from continuing operations

The company has no recognised gains or losses for the period other than the results above

The Corporate Services Group Limited
Registration number: 490212
Balance Sheet at 31 December 2010

	Note	2010 £ 000	2009 £ 000
Fixed assets			
Investments	9	81,194	73,834
Current assets			
Debtors	10	49,908	64,210
Cash at bank and in hand		887	128
		50,795	64,338
Creditors Amounts falling due within one year	11	(57,215)	(55,777)
Net current (liabilities)/assets		(6,420)	8,561
Total assets less current liabilities		74,774	82,395
Creditors Amounts falling due after more than one year	12	-	(18,823)
Net assets		74,774	63,572
Capital and reserves			
Called up share capital	13	10,772	10,772
Other reserves	14	46,613	46,613
Profit and loss account	14	17,389	6,187
Total shareholders' funds		74,774	63,572

The financial statements on pages 6 to 15 were approved by the Board on 5 April 2011 and signed on its behalf by


A J Burchall
Director

The Corporate Services Group Limited
Notes to the Financial Statements for the 52 week period
ended 31 December 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Exemption from preparing a cash flow statement

The company has taken advantage of the exemption under FRS 1 (Revised 1996) not to publish a cash flow as its ultimate parent, Impellam Group Plc, a company incorporated in the United Kingdom, has prepared consolidated financial statements which are publicly available

Exemption from preparing group accounts

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group accounts because it is a wholly owned subsidiary of Impellam Group plc which prepares consolidated accounts which are publicly available. Accordingly, these accounts are those of the company and not of its group

Significant accounting judgement

In applying the company's accounting policies the following judgement has been made that may have a significant effect on the amounts recognised in the financial statements

Recoverability of debtors

The company determines whether debtors are impaired if events or changes in circumstances indicate that the carrying value may not be recoverable at least on an annual basis

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value

Taxation

Current tax is recognised at the amounts estimated to be payable or recoverable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax assets and liabilities are recognised, subject to certain exceptions, in respect of all material timing differences between the recognition of gains and losses in the accounts and for tax purposes. Those timing differences recognised may include accelerated capital allowances, unrelieved tax losses and short term timing differences. Timing differences not recognised include those relating to the revaluation of fixed assets in the absence of a commitment to sell the revalued assets and the gain on sale of assets rolled over into replacement assets in the absence of a commitment to sell the replacement assets

Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currency

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account

The Corporate Services Group Limited
Notes to the Financial Statements for the 52 week period
ended 31 December 2010

..... *continued*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial assets and financial liabilities are recorded at fair value on the transaction date, on the company's balance sheet when the company has become a party to the contractual provisions of the instrument and derecognised when this is no longer the case.

Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

2 Operating profit / (loss)

Operating profit/(loss) is stated after charging

	2010 £ 000	2009 £ 000
Foreign currency (gains)/losses	<u>(1,247)</u>	<u>3,674</u>

Auditors' remuneration for the current and prior years has been borne by a fellow group company.

3 Exceptional items

	2010 £ 000	2009 £ 000
Exceptional administrative expenses	<u>(11,612)</u>	<u>4,462</u>

The exceptional items in 2010 relate to the release of various provisions over balances with fellow group companies (£4,252,000) and the release of provisions over investment in subsidiary undertakings (£7,360,000) where the underlying trade or assets have increased to such an extent that the impairment is no longer required.

The exceptional items in 2009 relate to the increase in various provisions over balances with fellow group companies.

The Corporate Services Group Limited
Notes to the Financial Statements for the 52 week period
ended 31 December 2010

..... *continued*

4 Particulars of employees

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows

	2010 No.	2009 No.
Administration and support	<u>3</u>	<u>3</u>

The aggregate payroll costs were as follows

	2010 £ 000	2009 £ 000
Wages and salaries	-	(208)
Social security costs	<u>-</u>	<u>(1)</u>
	<u>-</u>	<u>(209)</u>

5 Directors' remuneration

The emoluments of the directors are paid by the ultimate parent company, or by another group company. The directors' services to this company are of a non-executive nature and are deemed to be attributable to services to the remunerating company. Accordingly, the directors received no remuneration for services to the company in the year (2009 £nil)

6 Other interest receivable and similar income

	2010 £ 000	2009 £ 000
Bank interest receivable	2	17
Interest on loans to group undertakings	<u>1,837</u>	<u>1,822</u>
	<u>1,839</u>	<u>1,839</u>

7 Interest payable and similar charges

	2010 £ 000	2009 £ 000
Interest on loans from group undertakings	38	38
Interest on other loans	243	173
Other interest payable	<u>2,088</u>	<u>2,506</u>
	<u>2,369</u>	<u>2,717</u>

The Corporate Services Group Limited
Notes to the Financial Statements for the 52 week period
ended 31 December 2010

..... *continued*

8 Taxation

Tax charge/(credit) on profit/loss on ordinary activities

	2010 £ 000	2009 £ 000
Current tax		
Adjustments in respect of previous periods	(668)	-
Deferred tax		
Origination and reversal of timing differences	1,784	706
Total tax on profit/loss on ordinary activities	<u>1,116</u>	<u>706</u>

Factors affecting current tax charge for the year

The effective current tax rate on the profit on ordinary activities before tax can be reconciled to the standard rate of corporation tax (taken to be the standard rate of corporation tax in the UK) as follows

	2010 %	2009 %
Standard rate of tax	28.0	28.0
Transfer pricing adjustments (see below)	0.3	0.5
Profit apportionment from controlled foreign companies	-	(16.2)
Movements in impairments of intra-group balances	(27.4)	(14.2)
Adjustment in respect of prior periods	(2.0)	-
Utilisation of brought forward losses	(0.9)	1.9
Effective current tax rate	<u>(2.0)</u>	<u>-</u>

UK legislation requires, in broad terms, that most transactions between connected parties be at an arm's length price for tax purposes (commonly known as 'transfer pricing'). As a result, this company is taxable on deemed net interest receivable that has not been recognised in the accounts.

Unrecognised assets relating to losses are recoverable in the event of the company making sufficient taxable profits of the right type. They may be subject to legislation restricting the right to offset them. The amount not recognised at the period end was £7,076,000 (2009 - £7,338,000).

The Corporate Services Group Limited
Notes to the Financial Statements for the 52 week period
ended 31 December 2010

..... *continued*

9 Investments held as fixed assets

	2010 £ 000	2009 £ 000
Shares in group undertakings	<u>81,194</u>	<u>73,834</u>
Shares in group undertakings		
		Subsidiary undertaking £ 000
Cost		
At 1 January 2010		291,584
At 31 December 2010		<u>291,584</u>
Provision for impairment		
At 1 January 2010		(217,750)
Release in the year		<u>7,360</u>
At 31 December 2010		<u>(210,390)</u>
Net book value		
At 31 December 2010		<u>81,194</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Austin Benn Group Limited	Ordinary	100%	Holding company
Blue Arrow Holdings Limited	Ordinary	100%	Holding company
Comensura Limited	Ordinary	100%	Vendor procurement and management
Laybridge Limited	Ordinary	100%	Dormant
Kenard Investments Limited	Ordinary	100%	Investment activity
Corporate Services Group Holdings Inc	Ordinary	100%	Holding company
Medacs Healthcare Pty Limited	Ordinary	100%	Dormant
Healthlink New Zealand Group Limited	Ordinary	100%	Holding Company

All of the above companies are incorporated in England and Wales except for Kenard Investments Limited which is incorporated in Gibraltar, Corporate Services Group holdings Inc which is incorporated in the United States of America, Medacs Healthcare Pty Limited which is incorporated in Australia and Healthlink New Zealand Group Limited which is incorporated in New Zealand

The Corporate Services Group Limited
Notes to the Financial Statements for the 52 week period
ended 31 December 2010

..... *continued*

10 Debtors

	2010 £ 000	2009 £ 000
Owed by group undertakings	48,509	61,695
Other debtors	1,168	500
Deferred tax	228	2,012
Prepayments and accrued income	3	3
	<u>49,908</u>	<u>64,210</u>

Amounts owed by group undertakings are unsecured and repayable on demand. Within this amount is a loan to a subsidiary undertaking of £89,747,213 - \$140,517,211 (2009 £85,267,162 - \$137,697,939), including outstanding interest, which bears interest at 1.75% above the US Dollar one month LIBOR rate. This loan has provisions against it of £42,939,290 - \$67,230,046 (2009 £45,753,499 - \$73,887,000). Also, within amounts owed by group undertakings is a loan to a subsidiary undertaking of £600,000 (2009 £600,000) which bears interest at 1% above the Royal Bank of Scotland base rate and has been fully provided for. All other inter-company balances are not interest bearing.

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	£ 000
At 1 January 2010	2,012
Deferred tax charged to the profit and loss account	<u>(1,784)</u>
At 31 December 2010	<u>228</u>

Analysis of deferred tax

	2010 £ 000	2009 £ 000
Tax losses available	<u>228</u>	<u>2,012</u>

A reduction in the main rate of corporation tax to 26% from 1 April 2011 was announced in the Budget on 23 March 2011. This is a change from the rate of 27% included in the Finance Bill 2010. This change is expected to be substantively enacted on 29 March 2011 and will impact the measurement of deferred tax balances for periods ending after this date. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 23 per cent by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The Corporate Services Group Limited
Notes to the Financial Statements for the 52 week period
ended 31 December 2010

..... *continued*

11 Creditors: Amounts falling due within one year

	2010 £ 000	2009 £ 000
Guaranteed secured loan notes	19,979	-
Owed to group undertakings	36,885	55,444
Accruals and deferred income	351	333
	<u>57,215</u>	<u>55,777</u>

Amounts owed to group undertakings are unsecured and repayable on demand. Within this balance is an amount of £18,507 (2009 £13,622,720) payable to a subsidiary undertaking on which interest is charged at the Bank of England Base Rate. All other amounts owed to subsidiary undertakings are not interest bearing.

The 10 per cent guaranteed secured loan notes are repayable in April 2011. The notes may be redeemed at the option of the company on or after 29 April 2006 at 105 per cent of their principal amount. The notes are secured by subordinated guarantees from the company's principal operating subsidiaries, and also subordinated security interest over the present and future assets of the company and its principal operating subsidiaries.

12 Creditors: Amounts falling due after more than one year

	2010 £ 000	2009 £ 000
Guaranteed secured loan notes	-	18,823

13 Share capital

Allotted, called up and fully paid shares

	2010 No 000	£ 000	2009 No. 000	£ 000
Ordinary of £0.01 each	1,077,216	10,772	1,077,216	10,772

14 Reserves

	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2010	46,613	6,187	52,800
Profit for the year	-	11,202	11,202
At 31 December 2010	<u>46,613</u>	<u>17,389</u>	<u>64,002</u>

The Corporate Services Group Limited
Notes to the Financial Statements for the 52 week period
ended 31 December 2010

..... *continued*

15 Reconciliation of movement in shareholders' funds

	2010 £ 000	2009 £ 000
Profit/(loss) attributable to the members of the company	11,202	(9,521)
Net addition to/(reduction) from shareholders' funds	11,202	(9,521)
Shareholders' funds at 1 January	63,572	73,093
Shareholders' funds at 31 December	74,774	63,572

16 Contingent liabilities

The company has given cross guarantees as follows

- a) As part of the invoice discounting facility of the Group of which the company is a member, a net aggregate amount of £12,057,791 was drawn down by other group companies as at 31 December 2010 (2009 £50,438,632)
- b) Over the group's overdraft facility, the net aggregate amount outstanding against this facility in other group companies at 31 December 2010 was £528,732 (2009 £2,709,881)

17 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the Group

18 Control

The company's immediate parent undertaking is Impellam Group plc, a company incorporated in Great Britain

The directors regard Impellam Group plc, a company incorporated in Great Britain, as the ultimate parent undertaking. This is also the parent undertaking of the largest and smallest group which includes the company and for which group accounts are prepared. Copies of the group accounts of Impellam Group plc will be delivered to, and be available from, the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF14 3UZ

At 31 December 2010, the Lombard Trust was interested in and controlled 58.5% of Impellam Group plc