

ABC Contract Services Limited

Directors' Report and Financial Statements

for the 52 week period ended 28 December 2012

THURSDAY



L261DZ2Q

LD5

11/04/2013

#51

COMPANIES HOUSE

ABC Contract Services Limited
Contents

| | |
|--|---------|
| Company Information | 1 |
| Directors' Report | 2 to 4 |
| Statement of Directors' Responsibilities | 5 |
| Independent Auditors' Report | 6 |
| Profit and Loss Account | 7 |
| Balance Sheet | 8 |
| Notes to the Financial Statements | 9 to 18 |

ABC Contract Services Limited
Company Information

Directors A J Burchall
 R J Watson

Company secretary R J Watson

Registered office 800 The Boulevard
 Capability Green
 Luton
 Bedfordshire
 LU1 3BA

Bankers Barclays Bank plc
 1 Churchill Place
 London
 E14 5HP

**Independent
Auditors** PricewaterhouseCoopers LLP
 10 Bricket Road
 St Albans
 Hertfordshire
 AL1 3JX

ABC Contract Services Limited

Directors' Report for the 52 week period ended 28 December 2012

The directors present their report and the audited financial statements of the company for the 52 week period ended 28 December 2012

Directors of the company

The directors of the company who were in office during the period and up to the date of signing the financial statements were

A J Burchall

R J Watson

Principal activity

The principal activity of the company is that of the provision of contract personnel, principally to the construction sector in the UK

Business review

| | 2012 | 2011 | Change |
|--|--------|--------|--------|
| | £ 000 | £ 000 | % |
| Turnover | 32,294 | 33,892 | (4.7) |
| Gross Profit | 4,114 | 4,585 | (10.3) |
| Administrative expenses | 2,921 | 3,239 | (9.8) |
| Earnings before interest and tax | 1,193 | 1,346 | (11.4) |
| Gross profit percentage (%) | 12.7 | 13.5 | |
| Conversion rate (%) (EBIT to Gross profit) | 29.0 | 29.4 | |
| Permanent fees % GP | 5.7 | 4.3 | |

As a result of challenges faced by the construction industry and continued pressure from competition the company's revenue reduced 4.7% year on year. This directly resulted in a fall of margin by 10.3%. However, margin dilution was mitigated by tighter cost control with a reduction in administrative expenses of 9.8%. These factors when combined resulted in a decrease in EBIT of 11.4%.

The Directors are confident that 2013 will be a strong year for the company as new opportunities come to fruition.

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 Finance 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 provision of staffing services requires an increasing number of checks for both legislation and client contractual arrangements, these can vary widely by sector and geography. Such compliance requirements are constantly changing with new legislation being introduced and new or revised contracts being negotiated. The "Agency Workers Directive" enacted in the UK in October 2011 is one example of such new legislation that will require additional record keeping, increase the costs associated with the employment of temporary workers and may, therefore, impact on profitability. Not only is there a potential to directly impact profitability, but failure to meet these requirements could lead to legal, financial and reputational consequences.

The company takes its responsibilities seriously, is committed to meeting all of its regulatory responsibilities and regularly reviews its policies, processes and systems to reflect best practice. All employees are informed and trained on any new requirements as they become necessary, all new employees receive training on all relevant operating standards and there is a team of compliance officers who regularly conduct spot checks to ensure standards are being maintained.

ABC Contract Services Limited

Directors' Report for the 52 week period ended 28 December 2012

..... continued

Technology systems

The company is reliant on a number of technology systems in providing its services to clients and in sourcing and communicating with candidates and staff. These systems are located both in-house and in various data centres. These systems are vulnerable to matters beyond the Group's control, such as natural disasters and power or telecommunications failures. Also, the systems could be vulnerable to improper or negligent operation by employees or from unauthorised access.

The business continues to develop and enhance controls, the associated disaster recovery systems, including physically separate disaster recovery sites, and other areas to improve its ability to cope with the loss or disruption of a technology system as a result of any such event. In addition, data protection is a key priority and specific contractual provisions exist to ensure safety and security of confidential data.

Donations

There were no political donations made by the company in either 2012 or 2011.

Charitable donations

During the period the company made charitable donations of £1,000 (2011 £nil). Individual donations were

| | £ 000 |
|--------------------------|----------|
| National medical charity | <u>1</u> |

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company recognises that it is essential to maintain a highly skilled workforce. To this end the policy of training and development is incorporated in the company plan. It is the policy to promote from within the organisation wherever the possibility exists.

Health and safety measures are given particular attention by the directors and a written policy exists and is known throughout the company.

The company recognises the need for employees to be informed of the company's activities and performance. A corporate intranet for all employees provides a wide range of information and provides an increasingly important communication tool for policies and procedures as well as the sharing of information, document storage and specific news. Meetings are held between management and employees to allow sharing of information and consultation. Employees participate directly in the performance of the business through the Company's bonus arrangements.

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 period and to the date of these financial statements, 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.

ABC Contract Services Limited


Directors' Report for the 52 week period ended 28 December 2012

..... continued

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 28 March 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'A J Burchall', written over a horizontal line.

A J Burchall
Director

ABC Contract Services 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 period. Under that law the directors have prepared 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 then 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,
- 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.

ABC Contract Services Limited

Independent Auditors' Report

We have audited the financial statements of ABC Contract Services Limited for the 52 week period ended 28 December 2012 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 5), 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. In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 December 2012 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.

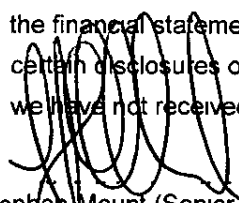
Opinion on other matter prescribed by the Companies Act 2006

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.


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

28 March 2013

ABC Contract Services Limited
Profit and Loss Account for the 52 week period ended 28 December 2012

| | Note | 2012 £ 000 | 2011 £ 000 |
|---|-------------|-----------------------|-----------------------|
| Turnover | 2 | 32,294 | 33,892 |
| Cost of sales | | <u>(28,180)</u> | <u>(29,307)</u> |
| Gross profit | | 4,114 | 4,585 |
| Administrative expenses | | <u>(2,921)</u> | <u>(3,239)</u> |
| Operating profit | 3 | 1,193 | 1,346 |
| Interest payable and similar charges | 7 | <u>(9)</u> | <u>(11)</u> |
| Profit on ordinary activities before taxation | | 1,184 | 1,335 |
| Tax on profit on ordinary activities | 8 | <u>(215)</u> | <u>(393)</u> |
| Profit for the financial period | 14 | <u>969</u> | <u>942</u> |

Turnover and operating profit for the current and prior periods derive wholly from continuing operations

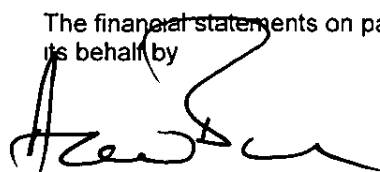
The company has no recognised gains or losses for the current and prior periods other than the results above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents for the current and prior periods

ABC Contract Services Limited
Registration number: 01189888
Balance Sheet as at 28 December 2012

| | Note | 2012 £ 000 | 2011 £ 000 |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | 9 | 29 | 63 |
| Current assets | | | |
| Debtors | 10 | 9,071 | 8,494 |
| Cash at bank and in hand | | 1,785 | 68 |
| | | 10,856 | 8,562 |
| Creditors Amounts falling due within one year | 11 | (5,615) | (4,335) |
| Net current assets | | 5,241 | 4,227 |
| Total assets less current liabilities | | 5,270 | 4,290 |
| Provisions for liabilities | 12 | (70) | (59) |
| Net assets | | 5,200 | 4,231 |
| Capital and reserves | | | |
| Called up share capital | 13 | 3,105 | 3,105 |
| Other reserves | 14 | 8,200 | 8,200 |
| Profit and loss account | 14 | (6,105) | (7,074) |
| Total shareholders' funds | 15 | 5,200 | 4,231 |

The financial statements on pages 7 to 18 were approved by the Board on 28 March 2013 and signed on its behalf by



A J Burchall
Director

ABC Contract Services Limited
Notes to the Financial Statements for the 52 week period
ended 28 December 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable UK accounting standards and the Companies Act 2006. The principal accounting policies have been applied consistently during the period and are set out below.

Exemption from preparing a cash flow statement

The company has taken advantage of the exemption under FRS 1 (Revised 1996) 'Cash flow Statements' 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.

Significant accounting judgements

In applying the company's accounting policies the following judgements have 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.

Turnover

Turnover, which is stated exclusive of value added tax, comprises amounts receivable for employment services, net of rebates and discounts provided. The nature of the company's activities is such that revenue is recognised when a written agreement, terms and conditions or an approved customer order is in place and the services have been fully rendered. Revenue is recognised and accrued by reference to hours worked in accordance with approved and submitted weekly timesheets and agreed charge rates. The company's procedures require review of a customer's ability to pay prior to a service provision, at the time of such provision, and at the time of billing, such that collectability is reasonably assured.

Tangible assets and depreciation

Tangible fixed assets are stated at cost or valuation, less depreciation and any provision for impairment. Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| Asset class | Depreciation method and rate |
|--------------------------|-------------------------------------|
| Short leasehold property | over the term of the lease |
| Fixtures and fittings | between 3 and 10 years |

Hire purchase and leasing

Rentals payable under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged in the profit and loss account on a straight line basis over the lease term.

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.

ABC Contract Services Limited
Notes to the Financial Statements for the 52 week period
ended 28 December 2012

..... continued

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 financial statements 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.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

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.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

2 Turnover

The turnover of the company arises wholly from activities undertaken within the United Kingdom.

ABC Contract Services Limited
Notes to the Financial Statements for the 52 week period
ended 28 December 2012

..... continued

3 Operating profit

Operating profit is stated after charging

| | 2012 £ 000 | 2011 £ 000 |
|--|---------------|---------------|
| Operating leases - plant and machinery | 11 | 9 |
| Operating leases - property | 116 | 112 |
| Depreciation of owned assets | 34 | 39 |
| Auditors' remuneration | <u>7</u> | <u>7</u> |

4 Auditors' remuneration

| | 2012 £ 000 | 2011 £ 000 |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>7</u> | <u>7</u> |

ABC Contract Services Limited
Notes to the Financial Statements for the 52 week period
ended 28 December 2012

..... *continued*

5 Particulars of employees

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

| | 2012 Number | 2011 Number |
|----------------------------|----------------|----------------|
| Administration and support | 2 | 2 |
| Other departments | 48 | 50 |
| | <u>50</u> | <u>52</u> |

The aggregate payroll costs were as follows

| | 2012 £ 000 | 2011 £ 000 |
|-----------------------------|---------------|---------------|
| Wages, salaries and bonuses | 1,528 | 1,792 |
| Social security costs | 242 | 261 |
| Staff pensions | 28 | 36 |
| | <u>1,798</u> | <u>2,089</u> |

In addition to the above, the company employs some of the staff who are supplied to clients and whose costs are part of the company's cost of sales. The average number of full-time equivalents of these for 2012 was 239 (2011 512) and the aggregate staffing costs for these was £6,471,000 (2011 £29,304,000)

6 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 period (2011 £nil)

7 Interest payable and similar charges

| | 2012 £ 000 | 2011 £ 000 |
|--------------------------------|---------------|---------------|
| On revolving credit facilities | <u>9</u> | <u>11</u> |

ABC Contract Services Limited
Notes to the Financial Statements for the 52 week period
ended 28 December 2012

..... *continued*

8 Tax on profit on ordinary activities

| | 2012 £ 000 | 2011 £ 000 |
|--|---------------|---------------|
| Deferred tax | | |
| Origination and reversal of timing differences (note 10) | <u>215</u> | <u>393</u> |

Factors affecting current tax charge for the period

The effective current tax rate on the profit on ordinary activities before tax is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%) and can be reconciled to the standard rate as follows

| | 2012 % | 2011 % |
|--|---------------|---------------|
| Standard rate of tax | 24.5 | 26.5 |
| Transfer pricing adjustments (see below) | 0.6 | (0.1) |
| Other permanently disallowable/taxable items | 0.4 | 0.4 |
| Depreciation and similar charges in excess of capital allowances | (1.0) | (1.3) |
| Group relief paid for at less than the standard rate | (6.9) | - |
| Utilisation of brought forward losses | <u>(17.6)</u> | <u>(25.5)</u> |
| Effective current tax rate | <u>-</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 must make an adjustment for deemed net interest on intercompany balances that has not been recognised in the financial statements.

Under Finance Act 2012, the standard rate of tax has been reduced to 23% with effect from 1 April 2013. It is expected that this will be further reduced with effect from 1 April 2014, but this proposed change had not been substantively enacted at the balance sheet date and, therefore, is not included in these financial statements.

ABC Contract Services Limited
Notes to the Financial Statements for the 52 week period
ended 28 December 2012

..... *continued*

9 Tangible assets

| | Short leasehold property £ 000 | Fixtures and fittings £ 000 | Total £ 000 |
|---------------------------------|---|-----------------------------------|----------------|
| Cost or valuation | | | |
| At 31 December 2011 | 24 | 289 | 313 |
| Disposals | (6) | (136) | (142) |
| At 28 December 2012 | 18 | 153 | 171 |
| Accumulated Depreciation | | | |
| At 31 December 2011 | 17 | 233 | 250 |
| Charge for the period | 4 | 30 | 34 |
| Eliminated on disposals | (6) | (136) | (142) |
| At 28 December 2012 | 15 | 127 | 142 |
| Net book value | | | |
| At 28 December 2012 | 3 | 26 | 29 |
| At 30 December 2011 | 7 | 56 | 63 |

There is no material difference between the market value and net book value of short leasehold property

10 Debtors

| | 2012 £ 000 | 2011 £ 000 |
|------------------------------------|---------------|---------------|
| Trade debtors | 3,590 | 3,159 |
| Amounts owed by group undertakings | 4,765 | 4,897 |
| Other debtors | 257 | - |
| Deferred tax | 79 | 294 |
| Prepayments and accrued income | 380 | 144 |
| | 9,071 | 8,494 |

Amounts owed by group undertakings are interest free, unsecured and repayable on demand

Certain trade debtors are subject to revolving credit facilities under which the company receives a substantial proportion of the value of the trade debtors shortly after they have been invoiced (see note 11)

Deferred tax

The movement in the deferred tax asset in the period is as follows

ABC Contract Services Limited
Notes to the Financial Statements for the 52 week period
ended 28 December 2012

..... *continued*

| | £ 000 |
|--|--------------|
| At 31 December 2011 | 294 |
| Deferred tax charged to the profit and loss account (note 8) | <u>(215)</u> |
| At 28 December 2012 | <u>79</u> |

Analysis of deferred tax

| | 2012 £ 000 | 2011 £ 000 |
|---|---------------|---------------|
| Difference between accumulated depreciation and amortisation and capital allowances | 69 | 90 |
| Other timing differences | 10 | 6 |
| Tax losses available | <u>-</u> | <u>198</u> |
| | <u>79</u> | <u>294</u> |

11 Creditors Amounts falling due within one year

| | 2012 £ 000 | 2011 £ 000 |
|------------------------------------|---------------|---------------|
| Revolving credit borrowings | - | 672 |
| Trade creditors | 67 | - |
| Amounts owed to group undertakings | 3,780 | 1,243 |
| Other taxes and social security | 817 | 1,478 |
| Other creditors | 254 | 152 |
| Accruals and deferred income | <u>697</u> | <u>790</u> |
| | <u>5,615</u> | <u>4,335</u> |

a) The revolving credit borrowings relate to invoice discounting over the trade debtors as described in note 10. Any revolving credit liability is secured by a fixed charge over certain assets of the company and by composite guarantees and debentures from fellow group undertakings. These facilities incur interest at 1.85% over UK base rate and are repayable on demand.

b) Amounts owed to group undertakings include £1,094,000 (2011: £1,094,000) relating to intercompany loan notes that were issued on 24 December 1998 with no fixed repayment date and are interest free. All other amounts owed to group undertakings are interest free, unsecured and repayable on demand.

ABC Contract Services Limited
Notes to the Financial Statements for the 52 week period
ended 28 December 2012

..... *continued*

12 Provisions for liabilities

| | Dilapidation provision £ 000 |
|--|---|
| At 31 December 2011 | <u>59</u> |
| Charged to the profit and loss account | 16 |
| Utilised during the period | <u>(5)</u> |
| | <u>11</u> |
| At 28 December 2012 | <u><u>70</u></u> |

Property provisions are in respect of amounts expected to be due on the expiry of leases to return leased property to the condition in which it was at the start of the lease

13 Called up share capital

Allotted, called up and fully paid shares

| | 2012 | | 2011 | |
|----------------------------|-----------------------------|--------------|-----------------------------|--------------|
| | Number Thousands | £ 000 | Number Thousands | £ 000 |
| Ordinary shares of £1 each | <u>3,105</u> | <u>3,105</u> | <u>3,105</u> | <u>3,105</u> |

14 Profit and loss account

| | Other reserves £ 000 | Profit and loss account £ 000 |
|---------------------------------|-------------------------------------|--|
| At 31 December 2011 | 8,200 | (7,074) |
| Profit for the financial period | <u>-</u> | <u>969</u> |
| At 28 December 2012 | <u><u>8,200</u></u> | <u><u>(6,105)</u></u> |

15 Reconciliation of movements in shareholders' funds

| | 2012 £ 000 | 2011 £ 000 |
|--|-----------------------|-----------------------|
| Profit for the financial period | <u>969</u> | <u>942</u> |
| Net addition to shareholders' funds | 969 | 942 |
| Shareholders' funds at start of period | <u>4,231</u> | <u>3,289</u> |
| Shareholders' funds at end of period | <u><u>5,200</u></u> | <u><u>4,231</u></u> |

ABC Contract Services Limited
Notes to the Financial Statements for the 52 week period
ended 28 December 2012

..... *continued*

16 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £28,000 (2011 - £36,000).

Contributions totalling £4,000 (2011 - £nil) were payable to the scheme at the end of the period and are included in creditors.

17 Contingent liabilities

The company has given cross guarantees as part of the invoice discounting facility of the Group of which the company is a member, a net aggregate amount of £21,938,513 was drawn down by other group companies as at 28 December 2012 (2011 - £19,804,987).

18 Commitments

Operating lease commitments

As at 28 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire

| | 2012 £ 000 | 2011 £ 000 |
|---------------------------|---------------|---------------|
| Land and buildings | | |
| Within one year | 17 | - |
| Within two and five years | 55 | 80 |
| Over five years | 45 | 29 |
| | <u>117</u> | <u>109</u> |
| Other | | |
| Within one year | 30 | - |
| Within two and five years | 74 | - |
| Over five years | 5 | - |
| | <u>109</u> | <u>-</u> |

19 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.

ABC Contract Services Limited
Notes to the Financial Statements for the 52 week period
ended 28 December 2012

..... continued

20 Control

The company's immediate parent undertaking is Impellam UK Limited, a company incorporated in England and Wales

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 financial statements are prepared. Copies of the group financial statements 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 28 December 2012, the Lombard Trust was interested in and controlled 58.7% of Impellam Group plc