

Registration number 1641345

# Goodchild's Employment Agency Ltd

Directors' Report and Unaudited Financial Statements

for the 52 week period ended 31 December 2010

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## **Goodchild's Employment Agency Ltd**

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**Goodchild's Employment Agency Ltd**  
**Company Information**

<b>Directors</b>	A J Burchall R J Watson
<b>Company secretary</b>	R J Watson
<b>Registered office</b>	800 The Boulevard Capability Green Luton LU1 3BA
<b>Bankers</b>	Barclays Bank plc 1 Churchill Place London E14 5HP

**Goodchild's Employment Agency Ltd**  
**Directors' Report for the 52 week period ended 31 December 2010**

The directors present their report and the unaudited 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

**Principal activity**

The principal activity of the company is that of a holding company and this is expected to continue into the future

**Business review**

The directors are satisfied with the performance of the company and expect no change in the foreseeable future

**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

**Donations**

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

**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

Approved by the Board on 6 April 2011 and signed on its behalf by



A J Burchall  
Director

## **Goodchild's Employment Agency Ltd**

### **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.

**Goodchild's Employment Agency Ltd**

**Registration number: 1641345**

**Balance Sheet at 31 December 2010**

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Investments	5	<u>2,724,741</u>	<u>2,724,741</u>
<b>Current assets</b>			
Debtors	6	4,444,558	4,444,558
Creditors Amounts falling due within one year	7	<u>(3,405,012)</u>	<u>(3,405,012)</u>
Net current assets		<u>1,039,546</u>	<u>1,039,546</u>
Net assets		<u>3,764,287</u>	<u>3,764,287</u>
<b>Capital and reserves</b>			
Called up share capital	8	5,020,000	5,020,000
Profit and loss account	9	<u>(1,255,713)</u>	<u>(1,255,713)</u>
Total shareholders' funds		<u>3,764,287</u>	<u>3,764,287</u>

For the year ending 31 December 2010 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 393 and which otherwise comply with the Companies Act 2006, so far as applicable to the company

The financial statements on pages 4 to 10 were approved by the Board on 6 April 2011 and signed on its behalf by



A J Burchall  
Director

**Goodchild's Employment Agency Ltd**  
**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 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 year 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) 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 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 cost less a provision for impairment. The carrying values of investments are reviewed for impairment at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the assets are allocated. Estimating the value in use requires the company to make and estimate of the future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

**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.

**Goodchild's Employment Agency Ltd**  
**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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

**2 Particulars of employees**

Other than the directors, the company had no employees throughout the year.

**3 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).



**Goodchild's Employment Agency Ltd**  
**Notes to the Financial Statements for the 52 week period**  
**ended 31 December 2010**

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**4 Taxation**

**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

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities before taxation	-	-
Corporation tax at standard rate	-	-
Transfer pricing adjustments (see below)	11,200	23,800
Debt cap exemption	(11,200)	-
Group relief claims at less than the standard rate	-	(23,800)
Total current tax	-	-

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 entitled to a deduction for deemed net interest payable that has not been recognised in the accounts

With effect from 1 January 2010, UK legislation places restrictions on the amount of interest payable by a group of companies which can be deducted for tax purposes, but also allows a restricted exemption for interest receivable subject to various conditions. As a result the company is expected to be subject to a disallowance on interest payable

**Goodchild's Employment Agency Ltd**  
**Notes to the Financial Statements for the 52 week period**  
**ended 31 December 2010**

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**5 Investments held as fixed assets**

	<b>2010 £</b>	<b>2009 £</b>
Shares in group undertakings and participating interests	<u>2,724,741</u>	<u>2,724,741</u>
<b>Shares in group undertakings and participating interests</b>		
		<b>Subsidiary undertaking £</b>
<b>Cost</b>		
At 1 January 2010		<u>4,450,659</u>
At 31 December 2010		4,450,659
<b>Provision for impairment</b>		
At 1 January 2010		<u>(1,725,918)</u>
<b>Net book value</b>		
At 31 December 2010		<u>2,724,741</u>
At 31 December 2009		<u>2,724,741</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

<b>Undertaking</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>
<b>Subsidiary undertakings</b>			
Forward Recruitment Consultants Limited	Ordinary	100%	Holding company

**6 Debtors**

	<b>2010 £</b>	<b>2009 £</b>
Amounts owed by group undertakings	<u>4,444,558</u>	<u>4,444,558</u>

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

**Goodchild's Employment Agency Ltd**  
**Notes to the Financial Statements for the 52 week period**  
**ended 31 December 2010**

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**7 Creditors: Amounts falling due within one year**

	2010 £	2009 £
Amounts owed to group undertakings	<u>3,405,012</u>	<u>3,405,012</u>

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

**8 Share capital**

**Allotted, called up and fully paid shares**

	2010		2009	
	No.	£	No.	£
Ordinary shares of £1 00 each	<u>5,020,000</u>	<u>5,020,000</u>	<u>5,020,000</u>	<u>5,020,000</u>

**9 Reserves**

	Profit and loss account £
At 1 January 2010	<u>(1,255,713)</u>
At 31 December 2010	<u><u>(1,255,713)</u></u>

**10 Reconciliation of movement in shareholders' funds**

	2010 £	2009 £
Shareholders' funds at 1 January	<u>3,764,287</u>	<u>3,764,287</u>
Shareholders' funds at 31 December	<u><u>3,764,287</u></u>	<u><u>3,764,287</u></u>

**Goodchild's Employment Agency Ltd**  
**Notes to the Financial Statements for the 52 week period**  
**ended 31 December 2010**

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**11 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) In respect of the Group's £45 million 10 per cent guaranteed secured notes due 2011, the net aggregate amount outstanding at 31 December 2010 was £20,000,000 (2009 £20,000,000)

**12 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

**13 Control**

The company's immediate parent undertaking is Austin Benn Limited, 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.