

COMPANY NO 03974520

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# REED EMPLOYMENT STAFFING SERVICES LIMITED

## ANNUAL REPORT

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◆For the 78 week period ended 27<sup>th</sup> June 2009◆

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## **REED EMPLOYMENT STAFFING SERVICES LIMITED**

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## REED EMPLOYMENT STAFFING SERVICES LIMITED

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### COMPANY INFORMATION

Directors	J A Reed D G Beal
Secretary	J Edmunds LL B Solicitor
Registered office	Academy Court 3 <sup>rd</sup> Floor 94 Chancery Lane London WC2A 1DT
Registered number	3974520
Auditors	Deloitte LLP 2 New Street Square London EC4A 3BZ
Appointed	13 <sup>th</sup> August 2009
Bankers	Barclays Bank PLC Onslow Hall The Little Green Richmond Surrey TW9 1QS
Solicitors	Slaughter & May 1 Bunhill Row London EC1Y 8YY

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## REED EMPLOYMENT STAFFING SERVICES LIMITED

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### REPORT OF THE DIRECTORS

The directors submit their report, together with the audited financial statements for the 78 weeks ended 27<sup>th</sup> June 2009

#### Business review and principal activities

During the 78 week period ended 27<sup>th</sup> June 2009, the company did not trade as principal and received no trading income and incurred no expenditure. The company's principal activity prior to 1<sup>st</sup> October 2007 was that of the employment of temporary staff on behalf of the parent company. The company ceased trading during 2007.

The company extended its year end to a 78 week period to bring it into line with the year end of its ultimate parent company, Reed Global Limited.

-- -- On 1<sup>st</sup> October 2007 all temporary employees were transferred to RMS Staffing Services Limited

#### Key performance indicators

	78 weeks to 27 June 2009	52 weeks to 28th December 2007
Other operating income (£000)	-	212,223
Average number of staff employed	-	13,950

#### HMRC

The company has a major ongoing legal dispute with HMRC.

The legal dispute with HMRC is in relation to employee tax dispensation arrangements. The directors, having taken professional advice, are confident that they will be able to satisfy HMRC that no outstanding liability is due on these arrangements. The company has received Notices of Determination and Decisions totalling £28,148,775.10 in respect of Arrears of Class 1 NICs & PAYE for the period 6 April 2001 to 5 April 2006 and interest on the NIC arrears. They have all been appealed by Reed. The directors would expect to incur costs in appealing against these and any future assessments raised. Additional liabilities could potentially arise if any assessments raised are upheld on appeal. No provision has been recognised for this claim, as payment is not considered probable.

#### Dividends

No dividend has been proposed for the period (2007 nil)

#### Directors

The composition of the Board of Directors is given on page 1. No director was, or is, materially interested in any contract subsisting during, or at the end of, the financial period.

## **REED EMPLOYMENT STAFFING SERVICES LIMITED**

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### **REPORT OF THE DIRECTORS (CONTINUED)**

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit 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 estimates that are reasonable and prudent,
- state whether applicable United Kingdom 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 proper accounting records which 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 1985. 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.

#### **Disclosure of information to auditors**

At the date of making this report each of the company's directors, as set out on page 1, confirm the following

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information
- This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985

#### **Auditors**

The directors appointed Deloitte LLP as the auditors for the company on 13<sup>th</sup> August 2009, and a resolution to re-appoint Deloitte LLP as auditors to the company will be proposed at the annual general meeting.

#### **Approval**

The report of the directors was approved by the Board on 9th February 2010 and signed on its behalf by



**D G Beal**  
Director

## REED EMPLOYMENT STAFFING SERVICES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REED EMPLOYMENT STAFFING SERVICES LIMITED

We have audited the financial statements of Reed Employment Staffing Services Limited for the period ended which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 8. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 27 June 2009 and of its result for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

#### Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in accounting policies note to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

**Deloitte LLP**

Chartered Accountants and Registered Auditors

London, UK

9 February 2010

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**REED EMPLOYMENT STAFFING SERVICES LIMITED**

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**PROFIT AND LOSS ACCOUNT****For the 78 weeks ended 27<sup>th</sup> June 2009**

	Note	78 weeks ended 27 <sup>th</sup> June 2009 £'000	52 weeks ended 28 <sup>th</sup> December 2007 £'000
Other operating income	2	-	212,223
Other operating expenses		-	(212,223)
		<hr/>	<hr/>
		-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains or losses except as reported above

All activities relate to discontinued operations

## REED EMPLOYMENT STAFFING SERVICES LIMITED

### BALANCE SHEET

At 27<sup>th</sup> June 2009

	Note	27th June 2009 £'000	28th December 2008 £'000
<b>Current assets</b>			
Debtors	4	-	-
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	5	-	-
<b>Shareholders' funds</b>	6	<u>-</u>	<u>-</u>

The financial statements were approved by the Board on 9 February 2010 and signed on its behalf by



**D G Beal**  
Director



## REED EMPLOYMENT STAFFING SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the 78 weeks ended 27<sup>th</sup> June 2009

#### 1. ACCOUNTING POLICIES

##### Accounting convention

The financial statements are prepared in accordance with applicable accounting standards, under the historical cost convention and on a going concern basis

The Company ceased trading on 1 October 2007. As required by FRS 18 "Accounting Policies", the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. This includes, where appropriate, writing down the Company's assets to net realisable value and providing for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that they were committed at the balance sheet date. No material adjustments arose as a result of ceasing to apply the going concern basis.

##### Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1 not to prepare a cash flow statement as the company's ultimate parent at the balance sheet date, Reed Global Ltd, has prepared a cash flow statement.

#### 2. OTHER OPERATING INCOME

Other operating income represents amounts receivable for temporary staff costs recharged to former group undertakings.

#### 3. DIRECTORS, EMPLOYEES AND AUDITORS' REMUNERATION

	78 weeks ended 27 <sup>th</sup> June 2009 £'000	52 weeks ended 28 <sup>th</sup> December 2007 £'000
<b>Staff costs.</b>		
Wages and salaries	-	199,269
Social security costs	-	12,954
	<hr/>	<hr/>
	-	212,223

The average number of staff employed by the company was nil (2007: 13,950). On 1<sup>st</sup> October 2007 all temporary employees were transferred to RMS Staffing Services Limited. In 2007 100% of the staff costs were recharged to other group companies.

The directors received no emoluments in respect of services to the company.

Auditors remuneration of £1,000 (2007: £1,000) has been borne by another group company.

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**REED EMPLOYMENT STAFFING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS****For the 78 weeks ended 27<sup>th</sup> June 2009****4 DEBTORS**

	<b>27th June 2009 £'000</b>	<b>28th December 2008 £'000</b>
Unpaid share capital	-	-
	<u>-</u>	<u>-</u>

**5. SHARE CAPITAL**

The share capital of the company is as follows

	<b>27<sup>th</sup> June 2007 £</b>	<b>28<sup>th</sup> December 2007 £</b>
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted and unpaid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**6 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	<b>27<sup>th</sup> June 2009 £</b>	<b>28<sup>th</sup> December 2007 £</b>
Opening shareholders funds	<u>100</u>	<u>100</u>
Closing shareholders funds	<u>100</u>	<u>100</u>

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## **REED EMPLOYMENT STAFFING SERVICES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

**For the 78 weeks ended 27<sup>th</sup> June 2009**

#### **7 HMRC**

The company has a major ongoing legal dispute with HMRC

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#### **8 ULTIMATE PARENT COMPANY**

The company's immediate parent undertaking is Reed Employment Limited, a company registered and incorporated in England and Wales.

The company's ultimate parent undertaking and controlling party is Reed Global Ltd, a company registered in Malta, whose annual report and financial statements may be obtained from the company's registered office at 171 Old Bakery Street, Valletta, Malta.

It is also the parent undertaking for the largest and smallest group for which the group accounts are prepared.