

Matrix Human Resource Limited

Directors' Report and Financial Statements
for the Year Ended 31 December 2009

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Matrix Human Resource Limited

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Matrix Human Resource Limited
Company Information

| | |
|--------------------------|---|
| Directors | A Burchall |
| | DMC Doyle (Resigned 14 May 2009) |
| | RJ Watson |
| | SG Chadwick |
| | JM Nott |
| | N Lynn (Resigned 26 May 2009) |
| Secretary | RJ Watson |
| Registered office | 800 The Boulevard Capability Green Luton LU1 3BA |

Matrix Human Resource Limited
Directors' Report for the Year Ended 31 December 2009

The directors present their report and the financial statements for the year ended 31 December 2009

Directors' responsibilities

The directors are responsible for preparing the Annual 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 those financial statements, directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and 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 a 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.

Principal activity

The company was dormant and has not traded during the year.

Business review and future developments

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

Results and dividends

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend (31 December 2008 - £nil).

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 facing the business

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.

Matrix Human Resource Limited
Directors' Report for the Year Ended 31 December 2009

continued

Donations

There were no charitable or political donations made by the company in either 2009 or 2008

Directors

The directors who held office during the year were as follows

- A Burchall
- DMC Doyle (Resigned 14 May 2009)
- RJ Watson
- SG Chadwick
- JM Nott
- N Lynn (Resigned 26 May 2009)

Directors' indemnity provisions

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

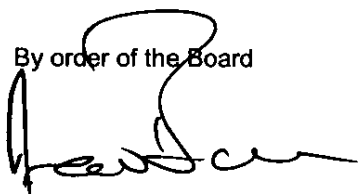
Retirement of directors

In accordance with the Articles of Association, directors are not required to retire from the board on a rotational basis

Election to dispense laying accounts

The company has elected to dispense with laying accounts before the members in general meeting. Members, however, may by notice in writing to the company at its registered office require that accounts are laid before the members in general meeting

By order of the Board



A Burchall
Director

Date

9 April 2010

Matrix Human Resource Limited

Registration number: 4162934

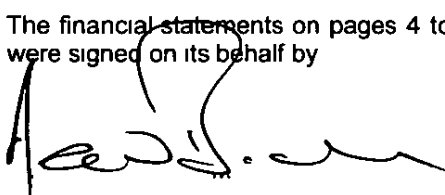
Balance Sheet as at 31 December 2009

| | | 31 December 2009 | | 31 December 2008 | |
|-----------------------------|------|------------------|---------------|------------------|---------------|
| | Note | £ | £ | £ | £ |
| Current assets | | | | | |
| Debtors | 4 | | <u>42,737</u> | | <u>42,737</u> |
| Net assets | | | <u>42,737</u> | | <u>42,737</u> |
| Capital and reserves | | | | | |
| Called up share capital | 5 | | 103 | | 103 |
| Profit and loss reserve | 6 | | <u>42,634</u> | | <u>42,634</u> |
| Shareholders' funds | 7 | | <u>42,737</u> | | <u>42,737</u> |

For the financial year ended 31 December 2009, the company was entitled to exemption from audit under section 477(2) of the Companies Act 2006, and no notice has been deposited under section 476 requesting an audit

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 7 were approved by the Board of Directors on 9 April 2010 and were signed on its behalf by



A Burchall
Director

Matrix Human Resource Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

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 accounting standards and the Companies Act 2006

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

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.

Cashflow statement

The company has taken advantage of the exemption under Financial Reporting Standard No. 1 (revised 1996) not to publish a cash flow statement as it is a wholly owned subsidiary of Impellam Group Plc, which has prepared consolidated financial statements which are publically available.

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 (2008: £nil).

Matrix Human Resource Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

4 Debtors

| | 31 December 2009 | 31 December 2008 |
|------------------------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Amounts owed by group undertakings | <u>42,737</u> | <u>42,737</u> |

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

5 Share capital

| | 31 December 2009 | 31 December 2008 |
|----------------------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Authorised | | |
| Equity | | |
| 900 Ordinary A shares of £1 each | 900 | 900 |
| 25 Ordinary B shares of £1 each | 25 | 25 |
| 25 Ordinary C shares of £1 each | 25 | 25 |
| 25 Ordinary D shares of £1 each | 25 | 25 |
| 25 Ordinary E shares of £1 each | 25 | 25 |
| | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid

| | 31 December 2009 | 31 December 2008 |
|----------------------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Equity | | |
| 100 Ordinary A shares of £1 each | 100 | 100 |
| 1 Ordinary B share of £1 each | 1 | 1 |
| 2 Ordinary C shares of £1 each | 2 | 2 |
| | <u>103</u> | <u>103</u> |

The A,B,C,D and E ordinary shares are entitled to declare separate dividends and need not bear any relationship to the respective amounts of issued or paid up capital

In the event of a winding up the A,B,C,D and E ordinary shares paid up shall be repaid *pari passu* in all respects but shall not be entitled to any further participation in any surplus of assets or profits

The B,C,D and E ordinary shares shall not entitle the holder to receive notice of or attend or vote at any general meeting unless the business at the meeting includes the consideration or resolution for

- (i) winding up the Company, or
- (ii) the sale of the undertaking of the Company, or
- (iii) altering the objects of the Company, or
- (iv) varying or abrogating any of the rights attaching to B,C,D and E ordinary shares,

in which case they shall be entitled to vote on any such resolution, but on no other resolution proposed at the meeting

Matrix Human Resource Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

6 Reserves

| | Profit and loss reserve £ |
|--|---------------------------------|
| Balance at 1 January 2009 | 42,634 |
| Transfer from profit and loss account for the year | - |
| Balance at 31 December 2009 | <u>42,634</u> |

7 Reconciliation of movements in shareholders' funds

| | 31 December 2009 £ | 31 December 2008 £ |
|---|--------------------------|--------------------------|
| Loss attributable to members of the company | - | - |
| Opening shareholders' funds | <u>42,737</u> | <u>42,737</u> |
| Closing shareholders' funds | <u>42,737</u> | <u>42,737</u> |

8 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, the net aggregate amount outstanding against this facility at 31 December 2009 was £50,438,632 (2008 £47,711,435)

b) In respect of the £45 million 10 per cent guaranteed secured notes due 2011, the net aggregate amount outstanding at 31 December 2009 was £20,000,000 (2008 £20,000,000)

9 Related parties

Controlling entity

The company's immediate parent undertaking is Chadwick Nott (Holdings) 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, Maundy, Cardiff, CF14 3UZ.

At 31 December 2009, Lord Ashcroft, KCMG was interested in and controlled 57.2% of Impellam Group plc. On 6 April 2010, following a transfer of an indirect interest in the Company, Lord Ashcroft no longer had a beneficial interest in the Company. The transfer of this indirect interest was made to the Lombard Trust (the "Trust") which now has a beneficial interest of 57.2%, representing its entire interest in the Company. The beneficiaries of the Trust are Lord Ashcroft's children and remoter issue.

Related party transactions

The company has taken advantage of the exemption granted to 90% subsidiaries not to disclose transactions with group undertakings under the provisions of Financial Reporting Standard No. 8 "Related Party Disclosures".