

Forward Recruitment Consultants Limited

Annual report and accounts
for the year ended 31 December 2006

Registered number 2595508

•

Forward Recruitment Consultants Limited

WEDNESDAY



L33 "LWJN1U98" 31/10/2007 220
COMPANIES HOUSE

Directors and Officers

Directors

D M C Doyle

J Rowley

R J Watson

Registered office

800 The Boulevard

Capability Green

Luton

LU1 3BA

Auditors

Ernst & Young LLP

400 Capability Green

Luton

LU1 3LU

Directors' report

For the year ended 31 December 2006

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 2006

Principal activities and business review

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

The subsidiary undertakings of the company are listed in note 4 to the accounts. Consolidated accounts are not presented as the company takes advantage of the exemption afforded by Section 228 of the Companies Act 1985

On 1 January 2006 the company's investment in ABC Contract Services Limited was transferred to a fellow group undertaking at net book value

The Directors' report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small entities

Results and dividends

The audited accounts for the year ended 31 December 2006 are set out on pages 5 to 11. The company's loss for the year after taxation was £54,834 (2005: £Nil)

The directors do not recommend payment of a dividend for the year (2005: £Nil)

Directors

The directors who served during the year were

D M C Doyle

J Rowley

R J Watson

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 1985

Directors' report (continued)

Auditors and disclosure of information to Auditors

So far as each person who was a Director at the date of approving this report is aware, and having made enquiries of fellow Directors and of the company's auditors, each Director confirms that

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- Each Director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

Auditors

The company has elected under the elective regime (Section 386 of the Companies Act 1985) to dispense with the obligation to appoint auditors annually and Ernst & Young LLP are deemed to be reappointed

This report was approved by the board on 29 October 2007



D M C Boyle
Director

800 The Boulevard
Capability Green
Luton
LU1 3BA

Directors' responsibilities

Accounts, including adoption of going concern basis

The directors are responsible for preparing the annual report and accounts in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. After making enquiries, and as explained more fully in note 1, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

In preparing the accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 accounts 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.

Independent auditors' report

To the members of Forward Recruitment Consultants Limited

We have audited the company's accounts for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These accounts have been prepared on the basis of 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 to them 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 are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the accounts.

Ernst & Young LLP

Registered Auditors

Luton

29 October 2007

Profit and loss account

For the year ended 31 December 2006

	Notes	2006 £	2005 £
Amounts written off investments		(54,834)	-
Loss on ordinary activities before taxation		(54,834)	-
Tax on loss on ordinary activities	3	-	-
Loss for the year after taxation		(54,834)	-

There are no recognised gains or losses other than the loss of £54,834 attributable to the shareholders for the year ended 31 December 2006 (2005 £nil), all of which relate to continuing activities

The accompanying notes are an integral part of this profit and loss account

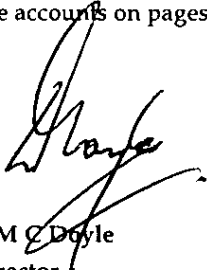
Balance sheet

31 December 2006

	Notes	2006 £	2005 £
Fixed assets			
Investments	4	<u>2,498,750</u>	<u>5,697,962</u>
Current assets			
Debtors	5	3,644,378	500,000
Creditors amounts falling due within one year	6	<u>(3,473,222)</u>	<u>(3,473,222)</u>
Net current assets/(liabilities)		<u>171,156</u>	<u>(2,973,222)</u>
Total assets less current liabilities		<u>2,669,906</u>	<u>2,724,740</u>
Capital and reserves			
Called up share capital	7	3,000,002	3,000,002
Profit and loss account	8	<u>(330,096)</u>	<u>(275,262)</u>
Equity shareholders' funds	9	<u>2,669,906</u>	<u>2,724,740</u>

The accompanying notes are an integral part of this balance sheet

The accounts on pages 5 to 11 were approved by the board on 29 October 2007



D M C Doyle
Director

Notes to the accounts

31 December 2006

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The accounts of Forward Recruitment Consultants Limited were approved for issue by the Board of Directors on 29 October 2007.

b) Investments

Fixed asset investments are stated at cost. Provision is made against the carrying value of investments where there is an impairment in value.

c) 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.

d) Consolidation

The accounts present information about Forward Recruitment Consultants Limited as an individual undertaking and not about its group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare group accounts because it is a wholly owned subsidiary of The Corporate Services Group PLC which prepares consolidated accounts which are publicly available.

e) Cashflow statement

The company has not prepared a cashflow statement as it is exempt under the provisions of Financial Reporting Standard No 1 (revised).

Notes to the accounts (continued)

2 Employees

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

Directors' remuneration

No remuneration was paid to the directors for their services as directors of the company during the year (2005 £ Nil)

3 Taxation

a) Analysis of tax on profit on ordinary activities

	2006	2005
	£	£
Current tax	-	-

b) Factors affecting current and future tax charges

The current tax charge on the ordinary activities can be reconciled to the current tax charge that would result from applying the standard rate of corporation tax in the UK as follows

	2006	2005
	£	£
Loss on ordinary activities before taxation	(54,834)	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(16,450)	-
Effect of		
Amounts written off investments	16,450	-
Transfer pricing adjustments (see below)	(93,900)	(51,600)
Effect of not receiving payment for group relief at the standard rate of tax	93,900	51,600
Current tax credit	-	-

UK legislation requires in broad terms, that most cross-border transactions between connected parties be at an arm's length price for tax purposes (commonly known as 'transfer pricing') As a result, this company has become entitled to a deduction on deemed net interest payable that has not been recognised in the accounts

Notes to the accounts (continued)

4 Fixed asset investments

Investment in subsidiary undertakings	£
Cost	
1 January 2006	6,554,005
Intra-group transfer	(3,554,002)
1 January 2006 and 31 December 2006	<u>3,000,003</u>
Amounts Provided	
1 January 2006	856,043
Provided in the year	54,834
Intra-group transfer	(409,624)
1 January 2006 and 31 December 2006	<u>501,253</u>
Net book value	
31 December 2006	<u>2,498,750</u>
31 December 2005	<u>5,697,962</u>

In the opinion of the directors the aggregate market value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

The company has investments in the following subsidiary undertakings

Name of subsidiary undertaking	Principal activity	Class of shares held	Holding
Heman Contracts Limited	Dormant	£1 deferred	100%
		US\$1 ordinary	100%
Southern Appointments Limited	Dormant	£1 ordinary	100%
Greycoat Executive Resourcing Limited	Dormant	£1 ordinary	100%

5 Debtors

	2006	2005
	£	£
Amounts owed by other group undertakings	<u>3,644,378</u>	<u>500,000</u>

Notes to the accounts (continued)

6 Creditors amounts falling due within one year

	2006 £	2005 £
Amounts owed to other group undertakings	<u>3,473,222</u>	<u>3,473,222</u>

7 Share capital

	2006 £	2005 £
Authorised		
3,000,100 ordinary shares of £1 each	<u>3,000,100</u>	<u>3,000,100</u>
Allotted, issued and fully paid		
3,000,002 ordinary shares of £1 each	<u>3,000,002</u>	<u>3,000,002</u>

8 Reserves

	Profit and loss account deficit £
1 January 2006	275,262
Loss for the year	54,834
31 December 2006	<u>330,096</u>

9 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Loss for the year	<u>(54,834)</u>	-
Net reduction in shareholders' funds	(54,834)	-
Opening shareholders' funds	<u>2,724,740</u>	<u>2,724,740</u>
Closing shareholders' funds	<u>2,669,906</u>	<u>2,724,740</u>

10 Contingent liabilities

The company has given cross guarantees as follows

- 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 2006 was £16,754,871 (2005 £4,368,340)
- In respect of the £45 million 10 per cent Guaranteed secured notes due 2011, the net aggregate amount outstanding at 31 December 2006 was £35,000,000 (2005 £ 45,000,000)

Notes to the accounts (continued)

11 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"

12 Parent undertakings and controlling party

The company's immediate parent undertaking is Goodchild's Employment Agency Limited, a company incorporated in Great Britain. The directors regard The Corporate Services Group PLC, a company incorporated in Great Britain, as the ultimate parent undertaking and the ultimate controlling party.

The parent undertaking of the largest and smallest group which includes the company and for which group accounts are prepared is The Corporate Services Group PLC. Copies of the group accounts of The Corporate Services Group PLC have been delivered to, and are available from, the Registrar of Companies, Companies Registration Office, Crown Way, Mandy, Cardiff, CF14 3UZ.