

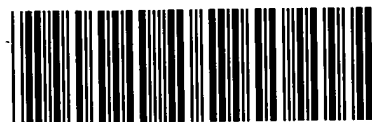
COMPANY NO: 03671677

RPS STAFFING SERVICES LIMITED

ANNUAL REPORT

♦ For the year ended 30th June 2014 ♦

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RPS STAFFING SERVICES LIMITED

CONTENTS

Page

COMPANY INFORMATION	3
REPORT OF THE DIRECTORS	4
STATEMENT OF DIRECTORS' RESPONSIBILITIES	5
INDEPENDENT AUDITOR'S REPORT	6
PROFIT AND LOSS ACCOUNT	7
BALANCE SHEET	8
NOTES TO THE FINANCIAL STATEMENTS	9

RPS STAFFING SERVICES LIMITED

COMPANY INFORMATION

Directors	J A Reed
Secretary	J Edmunds LL.B Solicitor
Registered office	Academy Court 94 Chancery Lane London WC2A 1DT
Registered number	03671677
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Bankers	Barclays Bank PLC Onslow Hall The Little Green Richmond Surrey TW9 1QS
Solicitors	Slaughter & May 1 Bunhill Row London EC1Y 8YY

RPS STAFFING SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 30th June 2014.

Activities

The company did not trade during the period. 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.

Dividend

No dividend has been proposed for the period (2013: £nil).

Litigation

The Company has a major ongoing legal dispute with HM Revenue & Customs (HMRC).

The Company has a legal dispute with Her Majesty's Revenue and Customs ("HMRC") in relation to employee tax dispensation arrangements. The Company received Notices of Determination and Decisions (the "Assessments") in 2007 totalling £10.2 million in respect of arrears of Class 1 National Insurance Contributions ("NICs") & Pay As You Earn ("PAYE") for the period 6 April 2001 to 5 April 2006, and interest on the NICs arrears to that date. These Assessments were disputed by the Company but have been upheld by both the First Tier Tribunal and the Upper Tribunal ("UT"). The Company has been granted permission to appeal the decision of the UT and this appeal is expected to be heard by the Court of Appeal in July 2015.

Though the Company continues to vigorously defend its claim, the Directors feel it appropriate to recognise as at 30 June 2014 a provision in respect of this dispute. However, the Company believes that the Assessments were based upon invalid assumptions and has engaged with HMRC to discuss the quantum. This process is ongoing.

Directors

The current composition of the Board of Directors is given on page 3.

No director was, or is, materially interested in any contract subsisting during, or at the end of, the financial period.

Charitable donations and political contributions

No charitable donations were made in the period (2013: £nil). No political contributions were made in the period (2013: £nil).

Disclosure of information to auditor

At the date of making this report each of the Company's directors, as set out on page 3, confirm the following:

- So far as the directors are aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditor is unaware, and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

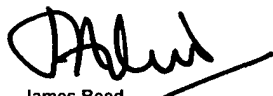
Auditor

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approval

The director's report has been prepared in accordance with the special provision relating to small companies under s415A of the Companies Act 2006.

The report of the directors was approved by the Board on 24th April 2015 and signed on its behalf by:


James Reed
Director

RPS STAFFING SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS REPORT AND THE FINANCIAL STATEMENTS

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in accounting policies note of the financial statements, the directors do not expect the business to continue as a going concern.

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. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RPS STAFFING SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RPS STAFFING SERVICES LIMITED

We have audited the financial statements of RPS Staffing Services Limited for the year ended 30th June 2014 set out on pages 7 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). These financial statements have not been prepared on a going concern basis for the reason set out in the accounting policies note in the financial statements.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 30th June 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in accounting policies section of the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

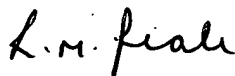
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Robert M Seale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: **30 APRIL 2015**

RPS STAFFING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30th June 2014

Year ended 30th June 2014	Year ended 30th June 2013	Note	
(9,883)	(9,883)		Cost of sales (including exceptional costs of £9.9m)
(9,883)	(9,883)	1	Operating Loss
(9,883)	(9,883)	3	Loss on ordinary activities before taxation
-	-		Tax charge on loss on ordinary activities
(9,883)	(9,883)	6	Loss on ordinary activities after taxation
-	-		All activities relate to discontinued operations.
-	-		There were no recognised gains or losses except as reported above in either period, and therefore no statement of total recognised gains and losses has been presented.

RPS STAFFING SERVICES LIMITED**BALANCE SHEET**
At 30th June 2014

		At 30th June 2014	At 30th June 2013
	Notes	£'000	£'000
Current assets			
Debtors: amounts owed from group undertakings		-	-
Net current assets		-	-
Total assets less current liabilities		-	-
Provision for liabilities and charges	4	(9,883)	-
Net liabilities		(9,883)	-
Capital and reserves			
Called up share capital		-	-
Authorised, allotted and fully paid 2 ordinary shares of £1 each	5	-	-
Profit and loss account	6	(9,883)	-
Shareholders' deficit	7	(9,883)	-

The financial statements of company number 03671677 were approved by the board on 24th April 2015 and signed on its behalf by:


James Reed
Director

RPS STAFFING SERVICES LIMITED
ACCOUNTING POLICIES
For the year ended 30th June 2014

ACCOUNTING POLICIES

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

Accounting convention

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

The financial statements are prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is a wholly owned subsidiary of Reed Global Limited which prepares consolidated accounts that are publicly available.

Basis other than going concern

The company did not trade during the period. 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 to at the balance sheet date. No material adjustments arose as a result of ceasing to apply the going concern basis.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted. Where law or accounting standards require gains and losses to be recognised in the statement of total recognised gains and losses, the related taxation is also taken directly to the statement of total recognised gains and losses in due course.

Cash flow statement

The Company has taken advantage of the exemption under FRS 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.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

RPS STAFFING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30th June 2014

1. OPERATING LOSS

Auditor's remuneration of £nil (2013: nil), was borne by another group company.

An exceptional item of £9,883,000 in 2014 relates to amounts provided for the legal dispute with HMRC (see note 8).

2. DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration in respect of their services to the Company in either period. The average number of permanent staff employed by the Company is nil (2013: nil).

3. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of tax for the period

	Year ended 30th June 2014 £'000	Year ended 30th June 2013 £'000
Current tax:		
UK corporation tax on loss for the period	-	-
Adjustments in respect of prior periods	-	-
	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Adjustment in respect of previous periods	-	-
Effect of tax rate change on opening balance	-	-
	-	-
Total tax charge on loss for the period	-	-

(b) Factors affecting the tax for the period

The tax assessed for the period differs to the standard rate of corporation tax in the UK 22.50% (2013: 23.75%). The differences are explained below:

	Year ended 30th June 2014 £'000	Year ended 30th June 2013 £'000
Loss for the period before taxation	(9,883)	-
Theoretical tax at UK corporation tax rate of 22.50% (2013: 23.75%)	(2,224)	-
Effects of:		
Expenses not deductible for tax purposes	-	-
Unrelieved tax losses and other differences arising in the period	-	-
Adjustments in respect of previous periods	-	-
Other permanent differences	2,224	-
Other short term differences	-	-
Utilisation of tax losses and other deductions	-	-
	-	-

4. PROVISIONS FOR LIABILITIES AND CHARGES

	Legal claim £'000
At 1st July 2013	-
Additional provisions	9,883
Provision utilised	-
At 30th June 2014	9,883

Further details of the legal claim are disclosed in note 8.

RPS STAFFING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30th June 2014

5. SHARE CAPITAL

	At 30th June 2014 £	At 30th June 2013 £
Authorised, called up, allotted, and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

6. PROFIT AND LOSS ACCOUNT

		£'000
1st July 2013		-
Retained loss for the period		(9,883)
At 30th June 2014		<u>(9,883)</u>

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	At 30th June 2014 £'000	At 30th June 2013 £'000
Loss for the period	(9,883)	-
Opening shareholders' deficit	-	-
Closing shareholders' deficit	<u>(9,883)</u>	<u>-</u>

8. LITIGATION

The Company has a major ongoing legal dispute with HM Revenue & Customs (HMRC).

The Company has a legal dispute with Her Majesty's Revenue and Customs ("HMRC") in relation to employee tax dispensation arrangements. The Company received Notices of Determination and Decisions (the "Assessments") in 2007 totalling £10.2 million in respect of arrears of Class 1 National Insurance Contributions ("NICs") & Pay As You Earn ("PAYE") for the period 6 April 2001 to 5 April 2006, and interest on the NICs arrears to that date. These Assessments were disputed by the Company but have been upheld by both the First Tier Tribunal and the Upper Tribunal ("UT"). The Company has been granted permission to appeal the decision of the UT and this appeal is expected to be heard by the Court of Appeal in July 2015.

Though the Company continues to vigorously defend its claim, the Directors feel it appropriate to recognise as at 30 June 2014 a provision in respect of this dispute. However, the Company believes that the Assessments were based upon invalid assumptions and has engaged with HMRC to discuss the quantum. This process is ongoing.

9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions available under FRS 8 Related party disclosures not to disclose transactions occurring within the group.

10. ULTIMATE PARENT UNDERTAKING

The Company is wholly owned by Finem Ltd, which is itself wholly owned by Reed Global Ltd, the ultimate parent undertaking company, which is registered in Malta. The largest and smallest set of accounts into which these accounts are consolidated are Reed Global Ltd. Copies of group accounts can be obtained from the company's registered office at The Reed Centre, Blue Harbour, Ta'Xbiex Marina, Ta'Xbiex, XBX 1027, Malta.