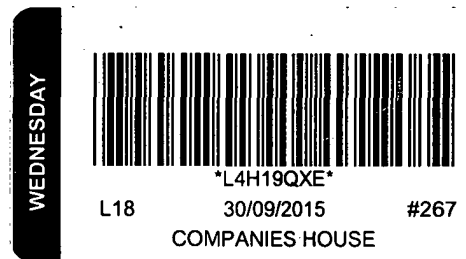


# Michael Bailey Associates Limited

Annual Report

For the year ended 31 December 2014



# Michael Bailey Associates Limited

## Company Information

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<b>Directors</b>	M L Garlick A M Garlick
<b>Secretary</b>	S Bahra
<b>Company number</b>	02289699
<b>Registered office</b>	12 Brook House Chapel Place Rivington Street London EC2A 3SJ
<b>Auditors</b>	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

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# Michael Bailey Associates Limited

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# Michael Bailey Associates Limited

## Strategic Report

For the year ended 31 December 2014

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### **Review of the business**

The company has consolidated its client base. The company has maintained its sales force to ensure there is sufficient resource to match the company's commitment to serving its existing clients and develop new relationships in other areas. As a result the company has continued to provide first class support and the sourcing of highly skilled personnel to customers.

The company has continued to develop sales teams for both the UK and European business streams to take full advantage of future growth following the relaxation of restrictions that arose during the credit crunch.

The company continues to train and motivate the sales team and expand the development of long term relationships with new clients as well as provide a focused and dedicated resource with which to service its existing base of major clients.

KPIs: Gross Revenues decreased by 12%, with Gross Profit margins reflecting market trends.

Total revenues generated were €38.704327m (2013: €44.163928m) for the year ended 31 December 2014.

Pre Tax Profit for the year amounted to €0.583672m (2013: €2.721995m).

Net assets at the balance sheet date were €1.515955m (2013: €1.081338m).

The key risks for the group are the ability of customers to pay and the fluctuation of the Euro exchange rate with the British Pound.

All new customers are carefully credit checked and exchange risk is minimised by ensuring client/contractor currencies are matched.

The company operates an effective credit control process and clients are contacted before payment are due to minimise any late queries. The majority of clients pay within the agreed terms and any overdue payments are vigorously monitored and pursued. This policy has reduced the risk of incurring bad debts.

Company working capital is provided via an overdraft facility secured against debtors.

Cash management has been arranged via the notional pooling of group funds providing a flexible and efficient method of maximising cash usage. Funds were transferred to the parent company during the year as part of this pooling arrangement. These arrangements continue in use.

The company operates a policy of recruiting staff from all nationalities, backgrounds and ages.

Nationalities include British, Dutch, German, Indian, French, Belgium and Swiss, and their ages ranged from early 20s to 65.

# Michael Bailey Associates Limited

## Strategic Report (Continued)

For the year ended 31 December 2014

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Throughout 2014, the company continued its investment in the training and development of its sales team. This investment will continue to provide the thrust for identifying and servicing organisations where the company's expertise in sourcing high quality contractors and permanent recruitments can provide real benefit to the client organisation

Current indications are that clients and industries across Europe are investing in new systems that require the services of highly specialised and skilled IT professionals. MBA has maintained its ability to support clients and is well placed to provide these businesses with the requisite IT professional.

On behalf of the board



M L Garlick

Director

28/09/2015

# Michael Bailey Associates Limited

## Directors' Report

For the year ended 31 December 2014

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The directors present their report and financial statements for the year ended 31 December 2014.

### Principal activities

The principal activity of the group remains that of a provider of IT Consultants on a contract and permanent basis.

### Results and dividends

The results for the year are set out on page 7.

An ordinary dividend was paid amounting to €nil (2013: €6,500,000).

### Directors

The following directors have held office since 1 January 2014:

M L Garlick

A M Garlick

### Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### 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 then 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;
- 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.

# Michael Bailey Associates Limited

## Directors' Report (Continued)

For the year ended 31 December 2014

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

### Qualifying 3rd party indemnity provisions

The company has granted an indemnity to the directors in respect of qualifying third party indemnity provisions.

In accordance with section 414C (11) of the Companies Act 2006 the directors have chosen to include information about future developments and financial instrument risk in the Strategic Report.

On behalf of the board

  
.....  
M L Garlick

Director

28/09/2015

# Michael Bailey Associates Limited

## Independent Auditors' Report

### To the Members of Michael Bailey Associates Limited

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We have audited the financial statements of Michael Bailey Associates Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. 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**

As explained more fully in the Directors' Responsibilities Statement, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# Michael Bailey Associates Limited

## Independent Auditors' Report (Continued)

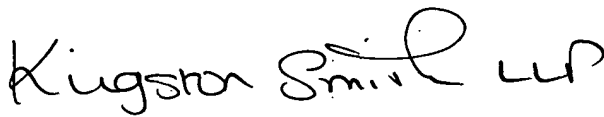
To the Members of Michael Bailey Associates Limited

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### 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.



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Heather Powell (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP

29 September 2015

Chartered Accountants  
Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# Michael Bailey Associates Limited

## Profit and Loss Account

For the year ended 31 December 2014

	Notes	2014 €	2013 €
<b>Turnover</b>	<b>2</b>	38,704,327	44,163,928
<b>Cost of sales</b>		(31,988,916)	(36,760,435)
<b>Gross profit</b>		6,715,411	7,403,493
Administrative expenses		(5,811,027)	(4,321,516)
Other operating income		60,968	59,236
<b>Operating profit</b>	<b>3</b>	965,352	3,141,213
Other interest receivable and similar income	<b>4</b>	3	10
Interest payable and similar charges	<b>5</b>	(381,683)	(419,228)
<b>Profit on ordinary activities before taxation</b>		583,672	2,721,995
Tax on profit on ordinary activities	<b>6</b>	(149,055)	(2,624,006)
<b>Profit for the year</b>	<b>14</b>	434,617	97,989

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# Michael Bailey Associates Limited

## Balance Sheet

As at 31 December 2014

	Notes	2014 €	2013 €
<b>Fixed assets</b>			
Tangible assets	8	127,258	127,090
<b>Current assets</b>			
Debtors	9	20,576,052	17,950,799
Cash at bank and in hand		507,549	1,324,311
		21,083,601	19,275,110
<b>Creditors: amounts falling due within one year</b>	10	(19,694,904)	(18,320,862)
<b>Net current assets</b>		1,388,697	954,248
<b>Total assets less current liabilities</b>		1,515,955	1,081,338
		1,515,955	1,081,338
<b>Capital and reserves</b>			
Called up share capital	13	150	150
Profit and loss account	14	1,515,805	1,081,188
<b>Shareholders' funds</b>	15	1,515,955	1,081,338

Approved by the Board and authorised for issue on 28/09/2015

M L Garlick  
Director

Company Registration No. 02289699

# Michael Bailey Associates Limited

## Notes to the Financial Statements

For the year ended 31 December 2014

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

#### 1.3 Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax. Income is accrued where the company has the right to consideration for services rendered at the balance sheet date. Turnover is matched to cost of sales and where it is, a mark up of costs are only recognised when the costs are known. Where a set fee is being charged this is recognised in the period the work is done.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	10% straight line
Fixtures, fittings & equipment	25% straight line

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date. Transactions in other currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

The company's functional and reporting currency is Euros. At 31 December 2014 the exchange rate was £1:€1.2777 (2013: £1:€1.1976).

#### 1.9 Cash flow statement

The company is exempt from preparing a cash flow statement on the grounds that it is a 100% owned subsidiary of Metroyard Limited, which prepares consolidated financial statements.

# Michael Bailey Associates Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

### 2 Turnover

#### Geographical market

	Turnover	
	2014	2013
	€	€
United Kingdom	2,176,623	2,182,239
Europe	36,527,704	41,981,689
	<u>38,704,327</u>	<u>44,163,928</u>

### 3 Operating profit

	2014	2013
	€	€
Operating profit is stated after charging:		
Depreciation of tangible assets	51,093	49,903
Loss on foreign exchange transactions	539,715	-
Operating lease rentals	129,442	128,937
Fees payable to the company's auditor for the audit of the company's annual accounts	78,000	78,000
and after crediting:		
Profit on foreign exchange transactions	<u>-</u>	<u>(48,284)</u>

### 4 Investment income

	2014	2013
	€	€
Bank interest	3	10
	<u>3</u>	<u>10</u>

### 5 Interest payable

	2014	2013
	€	€
On bank loans and overdrafts	46,835	59,847
On overdue tax	264,512	242,568
Other interest	70,336	116,813
	<u>381,683</u>	<u>419,228</u>

# Michael Bailey Associates Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

6	Taxation	2014 €	2013 €
	<b>Domestic current year tax</b>		
	U.K. corporation tax	345,132	641,722
	Adjustment for prior years	(205,280)	1,936,686
	<b>Total current tax</b>	<u>139,852</u>	<u>2,578,408</u>
	<b>Deferred tax</b>		
	Deferred tax charge current year	9,203	45,598
		<u>149,055</u>	<u>2,624,006</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>583,672</u>	<u>2,721,995</u>
	<i>Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.50% (2013 - 23.25%)</i>	<u>125,489</u>	<u>632,864</u>
	Effects of:		
	Non deductible expenses	223,539	57,305
	Depreciation add back	10,985	11,107
	Capital allowances	(14,772)	(13,358)
	Group relief claimed	-	(37,124)
	Adjustments to previous periods	(205,280)	1,936,686
	Other tax adjustments	(109)	(9,072)
		<u>14,363</u>	<u>1,945,544</u>
	<b>Current tax charge for the year</b>	<u>139,852</u>	<u>2,578,408</u>

The adjustments to previous periods relate to previous corporation tax liabilities being settled.

7	Dividends	2014 €	2013 €
	Ordinary interim paid	<u>-</u>	<u>6,500,000</u>

# Michael Bailey Associates Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

### 8 Tangible fixed assets

	Land and buildings leasehold €	Fixtures, fittings & equipment €	Total €
<b>Cost</b>			
At 1 January 2014	106,218	156,326	262,544
Additions	7,049	44,212	51,261
At 31 December 2014	113,267	200,538	313,805
<b>Depreciation</b>			
At 1 January 2014	91,476	43,978	135,454
Charge for the year	10,926	40,167	51,093
At 31 December 2014	102,402	84,145	186,547
<b>Net book value</b>			
At 31 December 2014	10,865	116,393	127,258
At 31 December 2013	14,742	112,348	127,090

### 9 Debtors

	2014 €	2013 €
Trade debtors	5,463,195	6,318,811
Amounts owed by group undertakings	14,070,820	7,528,964
Other debtors	910,122	3,855,115
Prepayments and accrued income	127,684	234,475
Deferred tax asset (see note 11)	4,231	13,434
	20,576,052	17,950,799

Amounts falling due after more than one year and included in the debtors above are:

	2014 €	2013 €
Other debtors	-	2,571,192

# Michael Bailey Associates Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

<b>10 Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>€</b>	<b>€</b>
Bank loans and overdrafts	3,269,349	3,315,309
Trade creditors	2,369,476	2,699,846
Amounts owed to group undertakings	7,684,411	3,258,992
Corporation tax	3,493,711	2,578,408
Other taxes and social security costs	498,392	1,017,669
Other creditors	1,563,087	4,367,831
Accruals and deferred income	816,478	1,082,807
	<u>19,694,904</u>	<u>18,320,862</u>

There are fixed and floating charges over all the assets of the company as security for bank facilities available to the company.

The company has entered into a bank Composite Accounting Agreement with certain other group companies whereby each company has provided a guarantee that enables the bank to set-off interest and debit and credit balances held by each of the companies in certain circumstances.

## 11 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows:

	<b>2014</b>	<b>2013</b>
	<b>€</b>	<b>€</b>
Balance at 1 January 2014	(13,434)	
Profit and loss account	9,203	
Balance at 31 December 2014	<u>(4,231)</u>	
	<b>2014</b>	<b>2013</b>
	<b>€</b>	<b>€</b>
Accelerated/(decelerated) capital allowances	7,747	342
Other timing differences	(11,978)	(13,776)
	<u>(4,231)</u>	<u>(13,434)</u>



# Michael Bailey Associates Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

### 12 Retirement benefits

	2014 €	2013 €
Contributions payable by the company for the year	138	3,279

### 13 Share capital

	2014 €	2013 €
Allotted, called up and fully paid 100 Ordinary shares of £1 each	150	150

### 14 Statement of movements on profit and loss account

	Profit and loss account €
Balance at 1 January 2014	1,081,188
Profit for the year	434,617
Balance at 31 December 2014	1,515,805

### 15 Reconciliation of movements in Shareholders' funds

	2014 €	2013 €
Profit for the financial year	434,617	97,989
Dividends	-	(6,500,000)
Net addition to/(depletion in) shareholders' funds	434,617	(6,402,011)
Opening Shareholders' funds	1,081,338	7,483,349
Closing Shareholders' funds	1,515,955	1,081,338

### 16 Contingent liabilities

As part of standard corporation tax enquires, the company was aware that HM Revenue and Customs were challenging the basis of taxation on certain transactions, including on two, the tax point, such that tax falls due earlier than the company believes is the case. Both cases have been settled in 2015 and accounted for as such in the financial statements. The company considers that all liabilities have been discharged and no further provisions are required.

# Michael Bailey Associates Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

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### 17 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings	
	2014	2013
	€	€
Operating leases which expire:		
Between two and five years	172,524	161,636
	<u>          </u>	<u>          </u>

### 18 Directors' remuneration

	2014	2013
	€	€
Remuneration for qualifying services	207,693	159,091
	<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 1).

### 19 Transactions with directors

The company occupies premises owned by M.L. Garlick and rent and service charges to the company amounted to €129,442 (2013: €126,451).

At 31 December 2014, the amount due to the company from M.L. Garlick was €255,207 (2013: €672,245) in respect of expenses paid by the company on his behalf. This was repaid in full subsequent to the balance sheet date.

# Michael Bailey Associates Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Director	2	2
Administration	24	20
	<u>26</u>	<u>22</u>

#### Employment costs

	2014 €	2013 €
Wages and salaries	1,549,809	494,428
Social security costs	111,601	101,154
Other pension costs	138	3,279
	<u>1,661,548</u>	<u>598,861</u>

### 21 Control

The ultimate parent company is Metroyard Limited, a company registered in England and Wales. Metroyard Limited is the parent of the largest group of which the company is a member. MBA Michael Bailey Associates Plc was the parent of the smallest group of which the company is a member.

Both Metroyard Limited and MBA Michael Bailey Associates Plc prepare group financial statements and copies can be obtained from the company secretary at the registered office of the company, being 12 Brook House, Chapel Place, Rivington Street, London, EC2A 3SJ.

### 22 Post balance sheet events

In 2015 the company has fully settled all outstanding tax enquiries with HMRC. All liabilities have now been discharged and the company are of the opinion that no further amounts will be payable in the future in respect of these.

### 23 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

During the year, amounts of €68,027 were paid to Burnley FC Holdings Limited, a company related due to M.L Garlick's directorship of both companies. These payments were in respect of sponsorship and advertising.